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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JANUARY 3, 1978

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Jan - June

Call to Order:

1978

2:30 PM

Present:

Commissioners Morris Bernstein,
William F. McDonnell, William
K. Coblentz.

Absent:

Commissioner Ruth S. Kadish.

The Minutes of the Airports Commission meeting of December 20, 1977
were approved.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell,
the following resolution was adopted:

No. 78-0001

Resolution approving the adden-
dum to the Joint Exercise of
Powers Agreement between City of
Millbrae, City of Burlingame, and
City and County of San Francisco
for roadway improvements at the
intersection common to Airport
Road R-2, Millbrae Avenue and Old
Bayshore Highway.

Mr. Richard Heath, Director of Airports, explained that under the
original agreement these three cities were obligated to pay one-third
of the total project cost of \$95,000. Upon completion it was found that
the total actual cost was \$115,950.44. He said this resolution in-
creases the maximum obligation of each of the three cities to one-third
of the total actual cost.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell,
the following resolutions were adopted:

No. 78-0002

Resolution authorizing profes-
sional services agreement - John
F. Brown Company, for a cost not
to exceed \$25,000, in connection
with the issuance of Airport
Revenue Bonds.

No. 78-0003

Resolution authorizing profes-
sional services agreement -
Salomon Brothers and Stone and
Youngberg, financial consultants,
for a cost not to exceed \$15,000
in connection with the issuance
of Airport Revenue Bonds.

No. 78-0004

Resolution approving the profes-
sional services agreement with
Pacific Environmental Laboratory,
San Francisco, for calendar year
1978 to provide laboratory
chemical analysis of industrial
and sanitary waste water samples.

Mr. Heath said these are all professional services agreements, the
airport has past experience with these companies and they have all done
good work in the past.

On motion of Commissioner Coblenz, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0005

Resolution approving Modification No. 24 to Professional Services Agreement with the San Francisco Airport Architects and requesting the Controller's certification of said modification in the total amount of \$152,500.00.

Mr. Heath explained the items covered are interior design elements for Contract 650C and 650D, updating the 1977 Modernization and Replacement Phase Program, and increase Additional Services Reimbursable General Account to handle the cost of future additional services that cannot be handled by the Airport staff.

Commissioner McDonnell asked if the Additional Services items come to the Commission each time they are submitted. Mr. Robert G. Lee, Deputy Director and Chief Engineer, stated under Resolution No. 70-0044, the Director can authorize payment for amounts up to \$5,000. Commissioner McDonnell then asked if whatever is spent out of the \$100,000 would come back to the Commission for approval and was told that it would. He was told that these are for architectural consultation of less than \$5,000 and that the Director could approve it and bring it to the Commission for ratification.

On motion of Commissioner McDonnell, seconded by Commissioner Coblenz, the following resolution was adopted:

No. 78-0006

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1151A, Relocation of Duty Free Shop Storage Area - Pier G.

Mr. Heath said this is a bid call for the final plans and specs on a contract to relocate the Duty Free Shop storage area. He said this will eliminate holding arriving international flights on the airport apron and is a temporary measure until we can rebuild the Federal inspection facilities.

Commissioner McDonnell asked if the Airports Commission would pay for this and pick it up in rental credit and was told that the main charges would have to be borne by us since Duty Free Shop has a lease on the area. It was then pointed out that the income for that area was above the guarantee.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0007

Resolution awarding Contract No. 1006, North Terminal Complex - Graphics, in the total amount of \$375,452.00, to QRS Corporation, 229 Harris Court, South San Francisco, CA 94080, as the lowest regular and responsible bidder.

Mr. Heath said the original estimate was \$600,000 and the low bidder was QRS Company.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolutions were adopted:

No. 78-0008

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 4 thru 7, authorizing an extension of contract completion time of 7 calendar days from November 12 to November 19, 1977, due to rain, and requesting the Controller's certification of Modification No. 4 to Airport Contract No. 977, in the total amount of \$5,398.58.

No. 78-0010

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 22 thru 24, and requesting the Controller's certification of Modification No. 12 to Airport Contract 1000, in the total amount of \$15,681.00.

No. 78-0011

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 25 thru 27, and requesting the Controller's certification of Modification No. 13 to Airport Contract 1000, in the total amount of \$16,357.00.

Mr. Heath said these are small change orders that have been approved by the Director and are brought to the Commission for ratification.

On motion of Commissioner Coblenz, seconded by Commissioner McDonnell, the following resolutions were adopted:

No. 78-0009

Resolution approving and requesting the Controller's certification of Debit Modification No. 5 to Airport Contract No. 977, Expansion of Electrical Distribution System - Phase I, authorizing payment to the contractor in the total amount of \$22,846.89.

No. 78-0012

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 1122-1 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 1 in the amount of \$1,990.00.

Mr. Heath said the first item was requested by Engineering consisting of items which were not anticipated during the design phase, and which will be reviewed at the end of the contract. The second item is a modification of the Industrial Waste Collection system and is a situation that arose after the contract started. The original method of establishing electrical contact is ineffective so bronze silicon wedges must be installed in the pipes.

On motion of Commissioner McDonnell, seconded by Commissioner Coblenz, the following resolution was adopted:

No. 78-0013

Resolution accepting the work under Airport Contract No. 783, Replacement of Air Handling Units - South Terminal, as satisfactorily completed; extending the completion date from July 18, 1977 to September 7, 1977; and approving final payment in the amount of \$8,876.83 in favor of the contractor, Columbia Mechanical Contractors, Inc. 969 Folsom Street, San Francisco, CA 94107.

Mr. Heath said the only modification on this contract is an extension of time and that the contractors cannot extend the contract.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0014

Resolution approving the final plans and specifications submitted by United Airlines showing the replacement of the fire main loop serving the fire hydrants and sprinkler systems for Buildings 10 and 74 at the Maintenance Operations Center to replace the existing fire main loop, which has deteriorated due to age.

Mr. Heath said this is a tenant improvement by United Airlines at their Maintenance Operations Center, which will be paid for by United at its own and sole expense, and that this is not part of the Expansion Program.

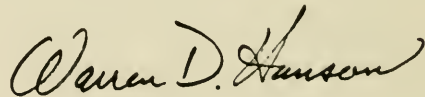
When Commissioner McDonnell asked if this involved the building under discussion in relation to the entrance road, he was told that it was not.

Director's Report

Mr. Heath stated that the material given to the Commission discussed items which have come to him over the last two weeks, that it should be made a matter of record, and that they are all self-explanatory. He said the most important of the materials was the City Attorney's opinion to the Planning Commission on the FAA Tower, as to whether additional environmental statements must be filed. The City Attorney's opinion is that this is neither necessary nor required since the previous EIR included a full discussion of this matter. Copies of these communications are attached to these minutes and incorporated herein by reference.

Commissioner McDonnell asked if the Planning Commission would contact the Director prior to any further action. The Director said that is his hope; however, there has been some difficulty in communication.

There being no further business, the meeting adjourned at 2:57 PM.



Warren D. Hanson
Acting Secretary
Airports Commission

AIRPORTS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
GEORGE R. MOSCONE, MAYOR

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128
(415) 761-0800



MORRIS BERNSTEIN
PRESIDENT

RUTH S. KADISH
VICE-PRESIDENT

WILLIAM E. McDONNELL
WILLIAM K. COBLENTZ

December 19, 1977

RICHARD R. HEATH
DIRECTOR OF AIRPORTS

Subject: Misspelled Signs

Mr. Alain Swietlicki
Director, Undergraduate Studies
Dept. of Romance Languages
27 Arts & Science Building
University of Missouri-Columbia
Columbia, Missouri 65201

Dear Mr. Swietlicki:

Thank you for your letter of December 8, 1977, to the Director of Airports. We must apologize with great embarrassment that the Spanish word for baggage, "equipaje", is indeed misspelled in several signs. We sure flunked our Spanish!

It is interesting to note that these signs have been in existence for over eleven years in two separate terminal buildings, where they are visible to millions of passengers, and yet you are the first person to take the time and trouble to inform us of our mistake.

We sincerely appreciate your interest in our Airport. We will proceed expeditiously to have these signs corrected.

Very truly yours,

A handwritten signature in dark ink, appearing to read "R.G. Lee".

ROBERT G. LEE
Deputy Director & Chief Engineer

JY/bo

cc: R.R. Heath ✓
M.F. Bagan
R.G. Lee
R. Wilson
P/D File
J. Yuen

DEC 23



UNIVERSITY OF MISSOURI-COLUMBIA

College of Arts and Science

Department of Romance Languages

27 Arts & Science Building
Columbia Missouri 65201
Telephone (314) 882-4874

December 8, 1977

R. R. Heath
Director of Airports
Airport Commission
#400 San Francisco International Airport
San Mateo County, California 94128

Dear Sir:

Recently, after a flight to San Francisco, while I was proceeding to the baggage claim area, I observed several signs in Spanish with a misspelled word. As a teacher of Spanish and as a member of the American Translators Association, I thought it important to bring such a glaring error to your attention.

The offending word appears on the signs directing the passengers to the baggage area. "Retirada de equipaja" should read "Retirada de equipaje."

I feel sure you will wish to remedy the situation.

Yours truly,

Alain Swietlicki
Director, Undergraduate Studies
in Spanish

AS:slk

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DEC 13 1977

R. G. LEE

DEC 12 1977

AIRPORTS COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

OFFICE MEMORANDUM

TO: Richard R. Heath

DATE: December 19, 1977

FROM: R. G. Lee

SUBJECT: Contract No. 1151
International Holding Area-Rotunda A
Schedule

The schedule for the construction of the Holding Area is separated into two phases under two separate sequential contracts 1151A and 1151B.

In view of the need to expedite this project, the logistics of moving the Duty Free storage area prior to the start of work in the Holding Area, and the extent of mechanical design work involved in the Holding Area, we have established the following tentative schedule:

Contract 1151A - Duty Free Storage Area - Pier G

Bid Documents Complete	12/30/77
Commission Approval to Bid	1/3/78
Bid Period	1/10/78 - 1/26/78
Commission Approval-Award of Contract	2/7/78
Certification (Assume 3 weeks)	2/28/78
Start Construction	3/6/78
Complete Construction (45 days)	4/20/78
Occupancy	4/21/78

Contract 1151B - International Holding Area - Rotunda A

Bid Documents Complete	1/31/78
Commission Approval to Bid	2/7/78
Bid Period	2/14/78 - 3/10/78
Commission Approval-Award of Contract	3/21/78
Certification (Assume 3 weeks)	4/11/78
Start Construction	4/17/78
Complete Construction (90 Days)	7/15/78
Occupancy	7/16/78



The 90 day construction period is dependent upon the delivery of the air conditioning equipment. If there are delays in fabrication and delivery, the occupancy date could be affected. The holding room could possibly be used pending delivery of the equipment under emergency conditions.

The specifications for the furniture will be prepared and a requisition placed with the City Purchaser's office by January 10, 1978.



R. G. Lee

PB/ms

cc: MFBagan
JPSinger
MCallanan
MAshe
WRO'Brien
BKong
DJacobberger
JYuen
PBittenbender
P/D File

THOMAS A. TOOMEY, JR.
CHIEF DEPUTY CITY ATTORNEY

ROBERT A. KENEALEY
ASSISTANT CHIEF DEPUTY

THOMAS M. O'CONNOR
CITY ATTORNEY
CITY HALL
SAN FRANCISCO, CALIFORNIA 94102
(415) 558-3315

GEORGE E. BAGLIN
UTILITIES GENERAL COUNSEL

GEORGE P. AGNOST
CHIEF TRIAL DEPUTY

DEPUTY CITY ATTORNEYS

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MCMORRIS M. OOW
DONALD J. GARIBALDI
JAMES J. STARK
EDMUND A. BACIGALUPI
RAYMOND E. AGOSTI
MICHAEL C. KILLELEA
LEONARD L. BNAIDER
JAMES B. BRABIL
DONALD K. NEGI
GEORGE E. KRUEGER
WILLIAM C. TAYLOR
EDWARD J. ROTHMAN
JOHN J. OOHERTY
WILLIAM A. BARRETT
JOHN SULLIVAN KENNY
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JAMES L. LAZARUS
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JULIE MEYERS BROCK
RICK MURPHY
VIRGINIA J. LUM
KATHRYN A. PENNYPACKER
ALICE S. Y. BARKLEY
TIMOTHY O. TIMMONS
ROBERT R. LAUGHEAD
CHIEF VALUATION AND
RATE ENGINEER
PAUL B. HOLM
ADMINISTRATIVE ASSISTANT

December 13, 1977

Mr. Robert G. Lee
Deputy Director and Chief Engineer
San Francisco International Airport
San Francisco, CA

Re: New Contract Agreement for San Francisco
Airport Architects. (Your letter of
December 8, 1977.)

Dear Mr. Lee:

This is in response to your letter of December 8.

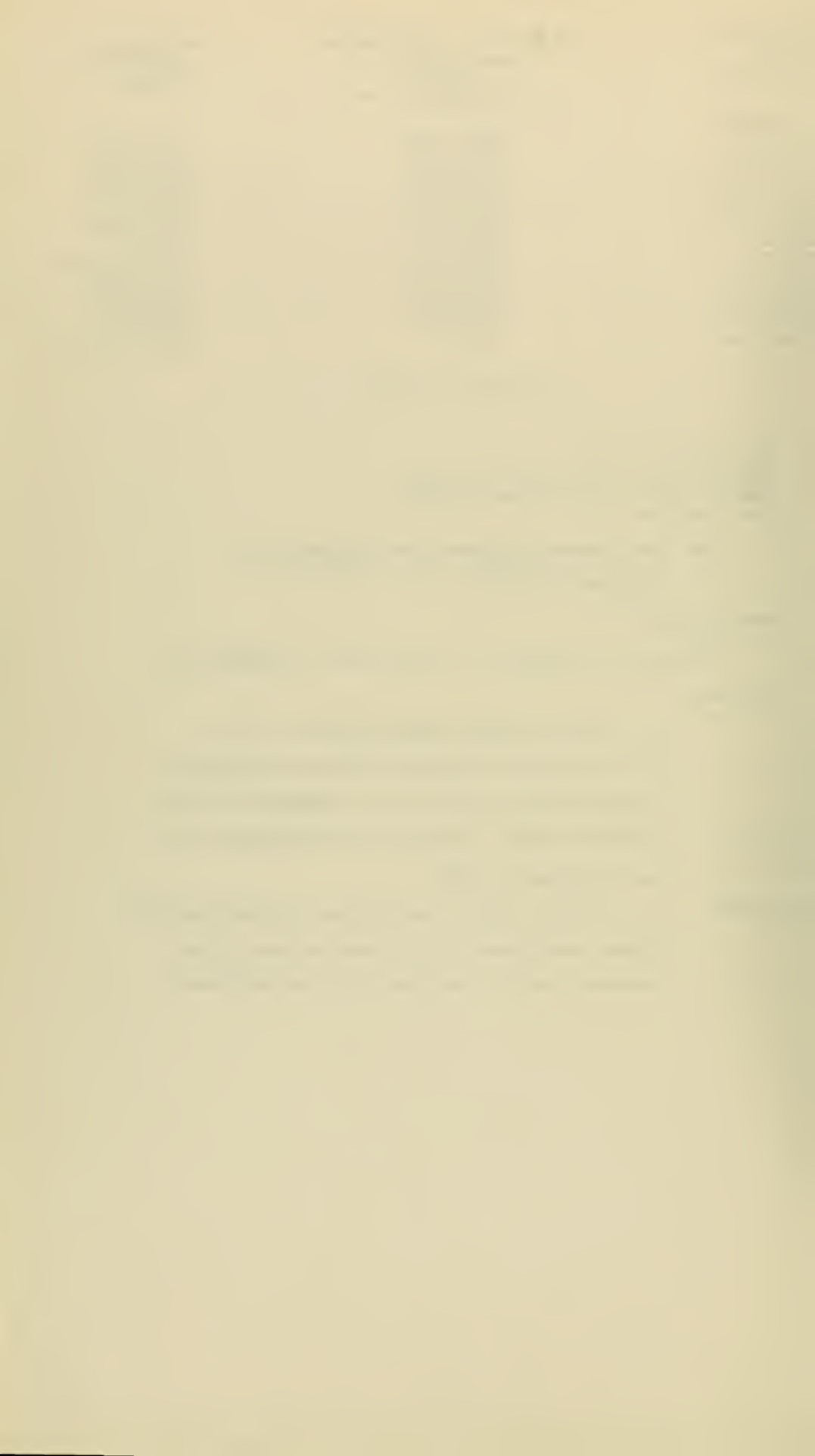
You ask:

1. Can City modify Modification No. 22 to the San Francisco Airport Architects agreement, terminating their work at the completion of the schematic stage, although the full project has been assigned to them?
2. Can City issue a new contract to San Francisco Airport Architects on the Boarding Area G and Connector project starting from the preliminary

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R. G. LEE



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Mr. Robert G. Lee

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stage through work drawings and services during construction and negotiate a different fee for this work?

In my opinion the answer to each question is yes, but I would suggest that, because of the terms of the Original Agreement and of Modification 22 (see below), the questions be thus phrased:

1. Is City bound to a 6% fee (6% of construction cost) with the Architects for the preliminary stage phase, the final stage phase, and the services during construction phase of the Boarding Area G and Connector project?
2. Is City free to negotiate for a less-than-6% fee for those phases?

In my opinion City is not bound to a 6% fee for those phases and is free to negotiate a less-than-6% fee therefor.

Briefly this opinion is based on (a) paragraph 2 of Modification 22 which gives City the "option" of letting (or not letting) the Architects proceed with subsequent phases of the project, (b) paragraph 4 of Modification 22 which provides that neither the Architects nor the City is (are) required to perform beyond the schematic plans phase unless an amendment is made to provide for further compensation, and (c) Part I of

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CITY ATTORNEY
CITY HALL

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the Original Agreement (of April 19, 1968) which gives City, in its reasonable discretion, the option of terminating the agreement subject to the obligation of paying the Architects for work already performed.

Modification 22 pertains to the Boarding Area G and Connector project. The "Scope of Work" under the Original Agreement consisted of architectural-engineering services for the following seven projects:

- Project 1. Passenger arrival and departure Rotundas #9, #4, #6, #8 and #5;
- Project 2. Inner road structure between the terminal and automobile parking garage;
- Project 3. South Terminal expansion with frontal gates;
- Project 4. North Terminal and associated Rotunda #2;
- Project 5. Parking structures northeast and southeast of Central Terminal with frontal gates;
- Project 6. Bayshore to passenger terminal service and entry roads with overpass or underpass;
- Project 7. Site utilities.

The Boarding Area G and Connector project is a new one -- not one of those seven.

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Modification 22 refers collectively to the Original Agreement and the 21 previous modifications as "Agreements."

Paragraph 5 of Modification 22 reads:

"5. Except as expressly modified or amended and except to the extent inconsistent herewith, all terms, provisions and conditions contained in Agreements shall be fully effective and binding upon the parties hereto."

Parts E, H and I of the Original Agreement provide:

"E. COMPENSATION

"1. As compensation for the performance of work as stipulated in Part B under this agreement, Airport Architects shall receive a fee of six percent (6%) based on construction cost of the Project (hereinbefore designated as Scope of Work) not to exceed Two Million Six Hundred and Eighty Thousand Two Hundred Dollars (\$2,680,200). Initial total Project budget cost estimate for the aforementioned Scope of Work is Forty-four Million Six Hundred and Seventy Thousand Dollars (\$44,670,000).

"2. Airport Architects shall be paid for reimbursable expenses (paragraph D) and for additional services (paragraph C) in a total amount not to

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exceed Two Hundred Thousand Dollars (\$200,000). . . .

"3. Total compensation to the Airport Architects under terms of this agreement shall not exceed the sum of the totals stipulated in paragraphs 1 and 2 above, or Two Million Eight Hundred and Eighty Thousand Two Hundred Dollars (\$2,880,200)."

"H. CERTIFICATION BY CONTROLLER

"1. Neither this agreement, nor any part thereof, shall become effective until certification by the Controller of City as to the availability of funds as required by Section 86 of the Charter of City, and shall at all times be subject to the budgetary and fiscal provisions of said Charter.

"2. The amount which may be expended under this agreement to perform all other services provided to be performed hereunder will be limited to said sum of Two Million Eight Hundred and Eighty Thousand Two Hundred Dollars (\$2,880,200), and City shall not be liable for any sum in excess of said amount, except in the event this agreement may be modified in said particular by mutual agreement of City and Airport Architects and approved by Controller of City. Said compensation, as hereinabove set forth, shall



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constitute the full cost to City for all services to be performed hereunder, including but not limited to all engineering, architectural, drafting and clerical services, and all overhead, materials, drafting and incidental expense which may be incurred in the performance of this agreement."

"I. TERMINATION

"1. City shall have the option to terminate this agreement by notice to Airport Architects, in writing. Said option may be exercised in the reasonable discretion of City, and Airport Architects shall obtain no rights or claims against City by reason of such termination, except for work which has already been performed by Airport Architects and for which compensation is currently due and owing to it. Upon any such termination, full and complete payments of all compensation previously accrued in favor of Airport Architects arising out of this agreement shall be paid by City."

Paragraph 1 of Modification 22 reads:

"1. The Scope of Work as set forth in Agreements is modified and amended by adding services for Schematic Plans, Preliminary Stage, Final Stage, and Services during Construction as defined in

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Paragraphs 1, 2, 3, and 4 of Part B of Original Agreement to the Work of Airport Architects for the Boarding Area G and Connector project as listed in Exhibit A attached hereto. Compensation shall be in accordance with Agreements, computed on the basis of six percent (6%) of the construction cost."

Paragraphs 1, 2, 3 and 4 of Part B of the Original Agreement deal with, respectively, schematic plans (par. 1), preliminary stage (par. 2), final stage (par. 3), and services during construction (par. 4).

Exhibit A to Modification 22 reads in material part:

"THE FOLLOWING IS THE PROJECT FOR WHICH SCHEMATIC PLANS, PRELIMINARY STAGE, FINAL STAGE AND SERVICES DURING CONSTRUCTION ARE ADDED TO THE SCOPE OF WORK BY PARAGRAPH 1 OF MODIFICATION NO. 22.

"BOARDING AREA G AND CONNECTOR

Construction of (1) a two-level boarding area connector to North Terminal with security area and moving walks, and ramp to North Terminal basement (construction to replace Pier "b"), (2) portion of North Terminal at Boarding Area G comprising frontal gates, service road and basement (construction to replace portion of North Concourse), (3) Northeast Court Frontal Gates with service road beneath connecting to Central and North Terminals (construction to replace balance of North Concourse), (4) Northeast Court sidewalk and Canopy. All public areas in terminals to be fully furnished and tenant areas to be completed to standards of Tenant



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Improvement Guide. Approximately 114,000 square feet. (Budget \$10,550,000.)"

Paragraph 3 of Modification 22 provides:

"3. The budgeted compensation to Airport Architects under the terms of Agreements as modified by this Modification No. 22 is as follows:

"(1) Prior budgeted fee for Basic Services on Scope of Work as modified through Modification No. 21 \$10,309,541

"(2) Current budgeted fee for Basic Services on Scope of Work as modified through Modification No. 22 \$10,404,491

"(3) Prior budgeted fee for Additional Services and Reimbursable Expenses through Modification No. 21 \$2,388,961

"(4) Increase in Modification No. 22 for Additional Services and Reimbursable Expenses -0-

"(5) Current budgeted fee for Additional Services and Reimbursable Expenses through Modification No. 22 \$2,388,961



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"(6) Current budgeted total fee through

Modification No. 22

\$12,793,452

"(7) Prior budgeted total fee through

Modification No. 21

\$12,698,502

"(8) Increase in Budgeted Fee for

Modification No. 22

\$94,950"

Paragraph 4 of Modification 22 states:

"4. Paragraph 2 of Part H of Agreements is hereby amended to read as follows: . . .

'2. The amount which City is obligated to pay under this Agreement is limited to the sum of Twelve Million Seven Hundred Ninety Three Thousand Four Hundred Fifty Two Dollars (\$12,793,452) which limitation is set forth herein for purposes of certification. Accordingly, the obligation of Airport Architects to perform services and incur reimbursable expenses under this Agreement is limited to the performance of services and the incurring of reimbursable expenses for which said \$12,793,452 will provide full compensation under Parts E, F, and G hereof. City shall not be obligated to

CITY AND COUNTY OF SAN FRANCISCO

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certify any additional amount to compensate Airport Architects for services and reimbursable expenses under this Agreement and Airport Architects shall not be obligated to furnish any services or incur any reimbursable expenses beyond the limitation set forth in the immediately preceding sentence unless and until this Agreement is amended to provide for further compensation and an additional amount has been certified to fully compensate Airport Architects under Parts E, F, and G hereof for such further services and reimbursable expenses."

Part E of the Original Agreement is substantially quoted above. Parts F and G pertain, respectively, to "Payments to the Airport Architects" (F), and "Construction Costs" (G). Part F provides so far as material:

"Payments on account of the Airport Architects' basic services will be as follows. Payments of basic fee will be calculated upon estimated cost of construction until actual cost of construction is determined. Payments will be made monthly in proportion to services performed to increase the compensation for basic services to the following percentages of the basic fee at the completion of each phase of the work:

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CITY HALL

Mr. Robert G. Lee 11 December 13, 1977

Schematic Design Phase	15%
Preliminary Design	35%
Construction Documents Phase	75%
Bidding or Negotiation Phase	80%
Construction Phase	100%"

The last sentence of Part F of the Original Agreement reads:

"If a Project is suspended for more than six months or abandoned in whole or in part, the Airport Architects shall be paid their compensation for services performed prior to receipt of written notice from City of such suspension or abandonment, together with Reimbursable Expenses then due."

Paragraph 2 of Modification 22 reads:

"2. Funds in the amount of Ninety Four Thousand Nine Hundred and Fifty Dollars (\$94,950), computed on the basis of 15% of 6% of budgeted construction costs of \$10,660,000 for the Schematic Plan work added in Paragraph 1 hereof are hereby made available for the services of Airport Architects on said project. Airport Architects may proceed with the work of subsequent phases as appropriate, at option of City, after

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Mr. Robert G. Lee

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written notification of approval and acceptance of Schematic Plans work is given by City and after appropriate modification of Agreements for the provision of further funding for subsequent phases."

By reason of paragraph 2 of Modification 22 City has the option ("at option of City") of allowing, or not allowing, the Architects to proceed with the subsequent phases (preliminary stage phase, final stage phase, services during construction phase) of the Boarding Area G and Connector project.

By reason of paragraph 4 of Modification 22, (1) the Architects have no obligation to perform architectural-engineering services for those three phases of the project; (2) City has no obligation to certify funds therefor; (3) an amendment to Modification 22 will be necessary to impose such obligations; (4) if and when the parties wish to agree to such amendment, a lower-than-6% fee (or a higher-than-6% fee) can be made part of the amendment; (5) City can refuse to amend if the Architects decline to accept a less-than-6% fee; (6) the Architects can refuse to amend if City insists on a less-than-6% fee; (7) there is a binding contract for a 6% fee, and for services, only up to and through the

CITY AND COUNTY OF SAN FRANCISCO

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CITY ATTORNEY
CITY HALL

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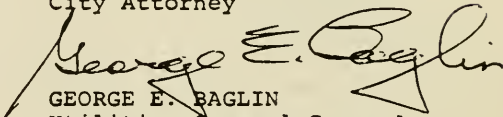
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schematics plan phase of Modification 22, that is, for
the services for which \$12,793,452 is the agreed compensation.

Yours very truly,

THOMAS M. O'CONNOR
City Attorney


GEORGE E. BAGLIN
Utilities General Counsel

GEB:ke

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CHIEF DEPUTY CITY ATTORNEY

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RATE ENGINEER
PAUL B. HOLM
ADMINISTRATIVE ASSISTANT

December 20, 1977

Mr. Rai Y. Okamoto
Director of City Planning
100 Larkin Street
San Francisco, California 94102

Subject: Application of CEQA to
the FAA Control Tower at SFIA

Dear Mr. Okamoto:

This is in response to your letter of November 7, 1977, in which you request advice of this office, based upon an attached letter of October 18, 1977, that you received from San Francisco Tomorrow, concerning application of the California Environmental Quality Act of 1970 as amended (CEQA) to the prospective Federal Aviation Administration control tower at San Francisco International Airport.

CEQA is contained in Public Resources Code §§21000 et seq. Section 21151 provides that:

"All local agencies shall prepare, or cause to be prepared by contract, and certify the completion of an environmental impact report on any project they intend to carry out or approve which may have a significant effect on the environment. . ."

The San Francisco International Airport Expansion Program dated December, 1972 is an integrated plan consisting of many single elements grouped into an over-all project or program. The FAA control tower is a specified element in the Expansion Program. For purposes of the environmental review requirements of CEQA the Expansion Program itself is the "project" within the meaning of Public Resources Code Section

DEC 21 1977

CITY AND COUNTY OF SAN FRANCISCO

THOMAS M. O'CONNOR
CITY ATTORNEY
CITY HALL

Mr. Rai Y. Okamoto

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December 20, 1977

21065(a) which states "Project means . . . (a) activities directly undertaken by any public agency" and the guidelines issued thereunder, Cal. Admin. Code, tit. 14, §15037(a) which states "Project means the whole of an action, which has a potential for resulting in a physical change in the environment . . ." (Emphasis added). See Friends of Mammoth v. Board of Supervisors, 8 C. 3d 247, 264-265; Environmental Defense Fund, Inc. v. Coastside County Water Dist. 27 C.A.3d 695, 706-707; Edna Valley Assn. v. San Luis Obispo Etc. Coordinating Council, 67 C.A.3d 444, 447-448.

In August 1973 the Department of City Planning prepared a draft Environmental Impact Report (EIR), EE 73.88, on the Airport Expansion Program. Public hearings on the draft EIR were held in September and October 1973 in San Mateo County and San Francisco at which time comments to it were received and responded to. On October 18, 1973 the Planning Commission reviewed the draft EIR, found it to be adequate, accurate and objective and certified its completion as a final EIR. The Planning Commission further found the Airport Expansion Program will have a significant effect on the environment. Resolution No. 7091, copy enclosed.

On November 7, 1973 the Airports Commission adopted the final EIR, as certified by the Planning Commission, approved the Expansion Program and resolved that it be carried out. Resolution Nos. 73-0234, 73-0235, copies enclosed.

On December 26, 1973, the Board of Supervisors adopted the final EIR, incorporated the findings of Airports Commission Resolution No. 73-0235, and resolved that the Expansion Program be carried out. Resolution No. 856-73, copy enclosed.

In January 1974 a petition for writ of mandamus was filed in Superior Court seeking to set aside the above mentioned resolutions adopting the final EIR and approving the Airport Expansion Program. The Court concluded the final EIR to be adequate, held the findings of the Airports Commission and Board of Supervisors to be supported by substantial evidence and entered judgment denying the petition. The judgment was upheld on appeal. San Francisco Ecology Center v. City and County of San Francisco, 48 C.A.3d 584, 598; petition for hearing by the Supreme Court denied July 23, 1975.

CITY AND COUNTY OF SAN FRANCISCO

THOMAS M. O'CONNOR
CITY ATTORNEY
CITY HALL

Mr. Rai Y. Okamoto

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December 20, 1977

By virtue of the foregoing, it is clear the environmental impact report provisions of CEQA on the Airport Expansion Program have been met and are final. Since the FAA control tower is a specified element of the "project" which has been administratively reviewed and approved, tested by litigation and upheld, and since the tower has remained unchanged and unaltered in size-conception and location, I am of the opinion there is no legal requirement for further CEQA review.

Of further significance for discussion herein is the fact that the FAA control tower is a federal facility and is so described in the final EIR (Appendices A-7). An appropriation of \$2,100,000 is being provided by the United States Government to assist in financing construction of the tower. Once completed it will be under lease to the Government to September 30, 2007. See Airports Commission Resolution No. 77-0144, May 17, 1977, and Board of Supervisors Resolution No. 549-77, July 5, 1977 (copies enclosed), approving Contract No. DOT FA76WE-3747 with the Federal Aviation Administration.

An Environmental Impact Statement (EIS) has been prepared by FAA on the Airport Expansion Program pursuant to the National Environmental Policy Act (NEPA), 42 U.S.C. §4321 et seq. (1970) and certified as final on April 18, 1977. The FAA control tower is also a described and discussed item in the EIS.

You are so advised.

Very truly yours,

THOMAS M. O'CONNOR
City Attorney

SAN FRANCISCO
CITY PLANNING COMMISSION

RESOLUTION NO. 7091

WHEREAS, The California Environmental Quality Act of 1970 as amended provides in Section 21151 of the Public Resources Code that "all local agencies shall prepare, or cause to be prepared by contract, and certify the completion of an environmental impact report on any project they intend to carry out or approve which may have a significant effect on the environment"; and

WHEREAS, The proposed San Francisco International Airport Expansion Program dated December 1972, and a final Environmental Impact Report prepared by the Airports Commission, dated April 1973 and May 1973, copies of which are on file with the City Planning Commission, were referred to this Commission on May 21, 1973 by the San Francisco Board of Supervisors for review and hearing pursuant to Chapter 31 of the San Francisco Administrative Code; and

WHEREAS, Pursuant to the provisions of the California Environmental Quality Act of 1970, as amended (CEQA), the Guidelines of the Secretary of Resources for the implementation of CEQA, and Chapter 31 of the San Francisco Administrative Code, a Draft environmental impact report (EIR) dated August 10, 1973, has been prepared by the Department of City Planning in connection with EE73.88: San Francisco Airport Expansion, a project to increase annual capacity of 15,000,000 to 31,000,000 passengers, primarily involving enlargement and improvement of the terminal area, on the property described as follows:

San Francisco International Airport,
San Mateo County; and

WHEREAS, The Department on or about August 10, 1973 duly filed a notice of completion of the draft EIR with the Secretary of the California Resources Agency, gave other notice and requested comments as required by law, made the draft EIR available to the general public and satisfied other procedural requirements; and

WHEREAS, Pursuant to Section 31.27(b) of the San Francisco Administrative Code the City Planning Commission held duly advertised public hearings on said draft EIR on September 27, 1973 and October 11, 1973 at which opportunity was given for public participation and comments; and

WHEREAS, In addition to the hearings held by this Commission, a public hearing was also held by the San Mateo County Planning Commission on September 26, 1973 at Redwood City, at the conclusion of which hearing comments were forwarded to this Commission for inclusion in the final EIR; and

WHEREAS, Comments and testimony received during the public hearing of October 11, 1973, and responses given orally thereto, are not deemed a significant addition to or revision of the draft EIR but are on file with the Department as part of the record of the public hearings, as are all other comments and the testimony of the hearing of September 27, 1973; and

WHEREAS, An addendum to the August 10, 1973 draft EIR, entitled Comments, Revisions and Responses to Comments and dated October 11, 1973, made available to the public on October 11, 1973, and amended in a supplement made available to the public on October 18, 1973, was prepared by the Department based upon the draft EIR, consultations and comments received during the review process, additional information that became available, and responses to the comments that raised significant points concerning effects on the environment; and

WHEREAS, Pursuant to Section 31.26(a) of the San Francisco Administrative Code a final EIR dated October 18, 1973, has been prepared by the Department, consisting of the Draft EIR dated August 10, 1973, the Appendices dated August 10, 1973, and the Comments, Revisions and Responses to Comments dated October 11, 1973, as amended on October 18, 1973; and

WHEREAS, On October 18, 1973 the Commission reviewed the final EIR and found that the contents thereof, and the procedures through which it was prepared, publicized, and reviewed comply with the provisions of the California Environmental Quality Act, the Guidelines of the Secretary for Resources and Chapter 31 of the San Francisco Administrative Code; and

WHEREAS, The final EIR indicates the major adverse environmental impacts will result from approximately doubling the passengers served by the airport from the current 15 million annually to 31 million annually by 1985; and

WHEREAS, The adverse environmental effects include increased vehicular traffic congestion, and its concomitant air and noise pollution; fossil energy consumption; and increased liquid and solid waste generation; and

WHEREAS, Subject expansion will increase the demand for fossil fuels in this area through increased heating requirements, additional electric power requirements, increased aviation fuel requirements, and increased motor vehicle fuel requirements as a result of vehicular traffic increases; and

WHEREAS, The expanded airport usage will increase liquid waste generation and add substantially to current water pollution abatement requirements and will cause substantial additional solid waste; and

WHEREAS, The adverse effects of vehicular traffic congestion together with the concomitant problems of increased noise, air pollution, and increased fuel consumption can be mitigated to some extent by airport policies and programs to substantially increase use of public mass transit; and

WHEREAS, An expansion in water pollution abatement facilities is included as part of the project to minimize any detrimental effect on regional water quality; and

WHEREAS, The expansion program includes a provision for updating current solid waste collection and compaction systems to minimize the volume of solid waste being disposed of off the airport site; and

WHEREAS, The expansion is in conformance with the findings of the Regional Airport System Study recommendations adopted by the Metropolitan Transportation Commission and the Association of Bay Area Governments; and

WHEREAS, Subject expansion will permit the increased use of wide-bodied aircraft resulting in an absolute reduction of aircraft noise levels, and a proportionate reduction of aircraft fuel consumption per seat mile;

THEREFORE BE IT RESOLVED, That the City Planning Commission does hereby find that the final EIR dated October 18, 1973, concerning EE73.88, San Francisco Airport Expansion, San Francisco International Airport, is adequate, accurate, and objective, and does hereby CERTIFY THE COMPLETION of said final EIR;

AND BE IT FURTHER RESOLVED, That the Commission in certifying the completion of said final EIR does hereby find that the project as proposed will have a significant effect on the environment.

I hereby certify that the foregoing Resolution was ADOPTED by the City Planning Commission at its regular meeting of October 18, 1973.


Marie Zeller
Acting Secretary

AYES: Commissioners Farrell, Fleishacker, Mellon, Newman, Porter

NOES: None

ABSTAINED: Commissioner Rueda

ABSENT: Commissioner Ritchie

PASSED: October 18, 1973

WHEREAS, The California Environmental Quality Act of 1970 as amended provides in Section 21151 of the Public Resources Code that, "All local agencies shall prepare, or cause to be prepared by contract, and certify the completion of an environmental impact report on any project they intend to carry out or approve which may have a significant effect on the environment"; and

WHEREAS, Upon initial review, it was determined by the Airport Staff that the Airport Expansion Program might have a significant effect on the environment and thereafter a draft Environmental Impact Report (EIR) was prepared in accordance with Sections 15064 and 15065 of the Guidelines for Implementation of the California Environmental Quality Act of 1970 (Guidelines); and

WHEREAS, This Commission by its Resolution No. 73-0039 adopted February 6, 1973, directed that, after filing of a Notice of Completion of the draft EIR with the Secretary of the Resources Agency of California pursuant to Section 15065(c) of the Guidelines, said draft EIR be made available to all interested public agencies and private organizations or individuals for review and submission of comments, and set March 6, 1973, as the date for a public hearing by the Airports Commission on the draft EIR in accordance with Section 15165 of the Guidelines; and

WHEREAS, One or about February 7, 1973, a Notice of Completion of the draft EIR was filed with the Secretary of the Resources Agency of California; and

WHEREAS, Pursuant to duly published notice a public hearing was held by the Airports Commission on March 6, 1973 at City Hall in San Francisco; and

WHEREAS, In addition to said public hearing by the Airports Commission, public hearings were also held by the San Mateo County Airport Land Use Committee on the night of March 8, 1973 at the Burlingame City Hall and by the San Mateo County Planning Commission on March 28, 1973 at Redwood City; and

WHEREAS, as part of the consultation and evaluation process prescribed by the Guidelines, all comments received from public agencies, private organizations and individuals who reviewed the draft EIR were evaluated and thereafter a final EIR was prepared in accordance with Sections 15085(e) and 15146 of the Guidelines and was presented to this Commission for certification of completion and adoption; and

WHEREAS, By Resolution No. 73-0099 and Resolution No. 73-0112 adopted on May 1, 1973 and May 15, 1973 respectively, this Commission certified completion of and adopted said final EIR and transmitted same to the Board of Supervisors; and

WHEREAS, After receipt thereof, the Board of Supervisors on May 21, 1973 referred said final EIR to the City Planning Commission for review and hearing pursuant to Chapter 31 of the San Francisco Administrative Code (a procedural ordinance which had just recently been adopted by the Board of Supervisors on April 9, 1973); and

WHEREAS, Pursuant to the provisions of Chapter 31 of the San Francisco Administrative Code, the Department of City Planning prepared a new draft EIR and filed a Notice of Completion thereof with the Secretary of the Resources Agency of California on or about August 10, 1973; and

WHEREAS, After duly published notice, the City Planning Commission held public hearings on September 27, 1973 and October 11, 1973 at City Hall in San Francisco; and

WHEREAS, In addition to said hearings by the San Francisco Planning Commission a public hearing was also held by the San Mateo County Planning Commission on September 26, 1973 at Redwood City; and

WHEREAS, Pursuant to Section 31.28(a) of the San Francisco Administrative Code, a final EIR dated October 18, 1973 was prepared by the City Planning Department consisting of the Draft EIR dated August 10, 1973, the Appendices dated August 10, 1973, and the Comments, Revisions and Responses to Comments dated October 11, 1973 and Addendum thereto; and

WHEREAS, On October 18, 1973 the City Planning Commission, pursuant to and in accordance with the provisions of Section 31.28(e) of the San Francisco Administrative Code, adopted its Resolution No. 7091, finding that the final EIR is adequate, accurate and objective; certifying completion of said final EIR; and finding that the Airport Expansion Program will have a significant effect on the environment; and

WHEREAS, A copy of said final EIR has been transmitted to the Airports Commission and to the Board of Supervisors for adoption;

NOW, THEREFORE, BE IT RESOLVED, That this Commission, having reviewed the final EIR for the San Francisco International Airport Expansion Program, hereby adopts same, and recommends that the Board of Supervisors adopt said final EIR; and be it

FURTHER RESOLVED, That Resolution Nos. 73-0099 and 73-0112 be and are hereby rescinded.

I hereby certify that the foregoing resolution was adopted by the Airports Commission
at its meeting of NOV 7 1973

Richard B. Newport
Secretary

WHEREAS, The San Francisco International Airport Expansion Program, dated December 1972, a copy of which is on file with the Secretary of this Commission, was presented to this Commission on March 6, 1973 for review and consideration; and

WHEREAS, The California Environmental Quality Act of 1970, as amended, (CEQA) provides in Section 21061 of the Public Resources Code that "An environmental impact report is an informational document which, when its preparation is required by this division, shall be considered by every public agency prior to its approval or disapproval of a project"; and

WHEREAS, CEQA further provides in Section 21151 of the Public Resources Code that "All local agencies shall prepare, or cause to be prepared by contract, and certify the completion of an environmental impact report on any project they intend to carry out or approve which may have a significant effect on the environment"; and

WHEREAS, In compliance with the aforesaid provisions of CEQA this Commission, by Resolution No. 73-0112 dated May 15, 1973, certified completion of and adopted a final Environmental Impact Report (EIR) for said San Francisco International Airport Expansion Program and transmitted same to the Board of Supervisors; and

WHEREAS, After reviewing said final EIR and taking into consideration the environmental impacts of the proposed San Francisco International Airport Expansion Program, this Commission, by Resolution No. 73-0113 dated May 15, 1973, approved the San Francisco International Airport Expansion Program with significant revisions thereof deemed necessary and feasible for the purpose of further mitigating the adverse effects of the expansion program on the environment; and

WHEREAS, After receipt thereof, the Board of Supervisors on May 21, 1973 referred said final EIR to the City Planning Department and City Planning Commission for review and hearing pursuant to Chapter 31 of the San Francisco Administrative Code, a procedural ordinance which had just recently been enacted by the Board of Supervisors on April 9, 1973; and

WHEREAS, Pursuant to the provisions of Chapter 31 of the San Francisco Administrative Code, the Department of City Planning prepared a new draft EIR for the revised San Francisco International Airport Expansion Program; and

WHEREAS, After public hearings on September 27, 1973 and October 11, 1973, and in accordance with Section 31.28(e) of the San Francisco Administrative Code the Planning Commission, by Resolution No. 7091 dated October 18, 1973, certified the completion of the final EIR and found that the revised San Francisco International Airport Expansion Program will have a significant effect on the environment; and

WHEREAS, This Commission by Resolution No. had adopted said final EIR; and

WHEREAS, Said San Francisco International Airport Expansion Program dated December 1972, has been presented to this Commission for review and consideration; and

WHEREAS, This Commission has carefully considered all of the factors prescribed in Section 21100 of the Public Resources Code and Section 15143 of the Guidelines for the Implementation of the California Environmental Quality Act of 1970, as more particularly set forth in the aforesaid final EIR; and

WHEREAS, This Commission is fully cognizant of the proposed Transportation Control Plan for the San Francisco Bay Area by the Environmental Protection Agency which, among other things, requires all new parking facilities of 50 spaces or over to receive either a permit from the Administrator of the Environmental Protection Agency or to be in conformity with a management plan for the area, which plan reports on the effect of future parking facility construction or modification or enlargement of existing facilities upon air quality;

NOW, THEREFORE, BE IT RESOLVED, That this Commission, having considered the objectives sought to be achieved by, and the adverse environmental effects of, the proposed San Francisco International Airport Expansion Program, as hereinafter revised, and the alternatives to said expansion program, listed below, finds that the overall social, economic and environmental benefits of the program as proposed outweigh the significant effects on the environment and that it is in the public interest that said San Francisco International Airport Expansion Program, as hereinafter revised, be approved and carried out; and be it

FURTHER RESOLVED, That, based on the information contained in the final EIR, this Commission finds and determines

1. The proposed San Francisco International Airport Expansion Program, dated December 1972, as hereinafter revised, will have the following significant adverse effects on the environment:

- (a) Ground Traffic - There will be an increase in the volume of auto and truck traffic generated at San Francisco International Airport as the air passenger traffic grows from 15 million annual passengers to the projected 31 million annual passengers. This traffic will add to the congestion that will occur at certain points on the freeway system at peak hours regardless of the Expansion Program, and alternate routes or adjustment in trip schedules will necessarily occur.

(a) Ground Traffic (Cont'd)

With the completion of I-380, the traffic on San Bruno Avenue will be less than one-third of the present traffic, while traffic on Millbrae Avenue in 1985 will not be significantly affected by the Airport expansion. These projected impacts are conservative in that they do not assume the extension of the Bay Area Rapid Transit (BART) system or additional mass transit facilities in 1985. Provisions for the BART extension to the Airport are included in the program. When and if the BART system is completed through San Mateo County, or other modes of mass transit are increased, the impact of the Airport-generated traffic on the highway facilities would be decreased.

- (b) Resource Utilization - Construction of the proposed facilities is expected to consume approximately 117,000 tons of cement; 1,077,000 tons of sand and gravel; 530,000 tons of rock; and 43,000 tons of construction steel. On an annual basis, this is a range of 3 to 18 percent of the annual consumption of these products in San Mateo and San Francisco Counties. As a secondary effect, construction materials will be used to construct additional commercial facilities required as back-up for Airport Services.

Upon reaching the designed capacity of the Airport in the 1985 time period, water consumption is expected to increase from approximately 2 million gallons per day presently to 5 million gallons per day; natural gas consumption during winter months is expected to increase from 500,000 cubic feet per hour to 1,300,000 cubic feet per hour; the electrical connected load is expected to increase from the present 18 million volt amperes (mva) to 90 mva; and daily operational fuel consumption for aircraft serving the Airport is expected to increase from 225,000 gallons per day to 250,000 gallons per day. Additional fuel consumption arising out of the increase in automobile and truck use is estimated to be 21.85 million gallons per year.

vehicle traffic generated by the Airport expansion will be an increase in noise levels in the vicinity of the access roads and highways.

- (d) Growth Inducement - The Airport expansion is expected to create approximately 14,000 additional basic jobs by 1985, which as a secondary effect will create an additional 17,000 jobs. About 50% of the new employees will live in San Mateo County. Census figures indicate that by 1985 approximately 50,000 more residents in San Mateo County will be entering than will be leaving the labor force. The new jobs created could, for the most part, be accommodated by the normal growth of the local labor market, hence the growth-inducing impact would not be significant.
2. That the overall benefits of the proposed Airport Expansion program are as follows:
- (a) Passenger Convenience - It will create one of the most beautiful, convenient, compact and safe airports in the world, close to a major metropolitan area, where total transportation time would be minimized. The expanded terminals will facilitate the handling of a predicted 31,000,000 passengers per year by 1985 while improving the operational efficiency and safety of the Airport.
 - (b) Noise - The expanded terminal facilities will allow more of the larger and quieter aircraft to operate at the Airport. The number of annual airline operations will be substantially the same as in 1972 due to the capacity of the existing runway system. These factors, in addition to revised operating procedures, will reduce noise levels in 1985, after completion of the Expansion Program, below 1972 levels. Additional noise reduction will be experienced in the communities of San Bruno, South San Francisco and Foster City due to the paving of Runway 28R extension and its designation as the primary instrument landing system runway.

- (c) Water Pollution - There will be a significant increase in the volume of waste water generated at the Airport. The quality of effluent entering San Francisco Bay from the Airport will be improved before 1985 over the level existing prior to beginning the Expansion Program due to the construction of the sanitary and industrial waste treatment plants and the deep water outfall sewer line.
- (d) Air Pollution - The total air pollutant emissions from aircraft are expected to be less in 1985 than in 1972, due to limiting the number of aircraft operations and the conversions to newer, more efficient engines developed to reduce emissions. Although the number of automobiles to and from the Airport will increase, the emissions of pollutants from these vehicles will decrease. This decrease in automobile emission will be due to more stringent Federal and State standards on air pollution. In addition, when and if the BART System is completed through San Mateo County, with a station at the Airport, there will be a decrease in the number of automobiles to and from the Airport with the resulting further reduction in the emission of pollutants.
- (e) Economics - During the 8-year period of the expansion work, there will be an average of approximately 670 construction workers employed in building the facilities which are planned. The expansion will generate some 30,000 additional basic and secondary jobs as permanent employment. The additional permanent employment is expected to increase the aggregate household annual income in San Mateo County by \$264 million, the general sales tax by \$4,100,000, the state income tax by \$17,100,000, and the property tax by \$17,500,000.
3. That all reasonable and feasible alternatives aimed at mitigating the adverse environmental impacts of the San Francisco International Airport Expansion Program have been incorporated therein; and
4. That the following alternatives, for the reasons stated in the final EIR, are not reasonable nor feasible at this time:

- (a) Modify Expansion Program at San Francisco International Airport
 - (1) Do nothing
 - (2) Do nothing except those projects which are mandated by Federal or State Regulation
 - (3) Revise design standards to conserve energy resources
- (b) Use other transportation systems
 - (1) Use of tracked air cushion vehicles
 - (2) Use of present rail facilities with facilities being upgraded
 - (3) Develop a short take-off and landing (STOL) capability.
- (c) Alternatives considered in the Regional Airport Systems Study (RASS); and be it

FURTHER RESOLVED, That this Commission hereby approves the San Francisco International Airport Expansion Program, dated December, 1972, subject to the following revisions:

- (a) Delete Item A-9, 'Runway 1L Extension'
- (b) Defer Line Item L-5, "Seaplane Harbor Fill"
- (c) Defer Item L-6, 'Seaplane Harbor Utilities and Roads'
- (d) Modify Item A-20, "Noise Monitoring Program" to read "Noise and Air Pollution Monitoring Program"
- (e) Modify Item L-23, 'Widen Frontage Roads to Four Lanes', increasing scope to provide for jointly sponsored improvements to intersections at frontage road with Millbrae and San Bruno Avenues; and be it

FURTHER RESOLVED, That Resolution Nos. 73-0100 and 73-0113 be and are hereby rescinded.

I hereby certify that the foregoing resolution was adopted by the Airports Commission at its meeting of NOV-7-1973

Richard B. Neufort
Secretary

1 ADOPTING THE ENVIRONMENTAL IMPACT REPORT FOR THE SAN FRANCISCO
2 INTERNATIONAL AIRPORT EXPANSION PROGRAM; DETERMINING THAT SAID PROJECT
3 WILL HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; AND DETERMINING
4 THAT THE SOCIAL, ECONOMIC AND ENVIRONMENTAL BENEFITS OF THE PROJECT
5 OUTWEIGH THE ADVERSE ENVIRONMENTAL EFFECTS THEREUP AND IT IS IN THE
6 PUBLIC INTEREST THAT THE PROJECT BE CARRIED OUT.

7 WHEREAS, The Planning Commission of the City and County of San
8 Francisco has heretofore held public hearings and made findings pur-
9 suant to the California Environmental Quality Act of 1970, as amended
10 (CEQA), the Guidelines for Implementation of CEQA promulgated there-
11 under and Ordinance No. 136-73 establishing objectives, criteria and
12 procedures for environmental evaluation of projects and preparation
13 of environmental impact reports also promulgated under CEQA and has
14 by its Resolution No. 7091 found that the environmental impact report
15 entitled "Final Environmental Impact Report, San Francisco Airport
16 Expansion, San Francisco International Airport, EE 73-88, October
17 18, 1973" is adequate, accurate and objective and said Commission has
18 also found that said project as proposed will have a significant
19 effect on the environment; and

20 WHEREAS, On October 23, 1973 this Board of Supervisors received
21 said final environmental impact report, consisting of the Draft
22 Environmental Impact Report dated August 10, 1973, the Appendices
23 dated August 10, 1973 and the Comments, Revisions and Responses to Com-
24 ments dated October 11, 1973 and Addendum thereto, certified complete
25 by the Planning Commission, copy of which together with Planning
26 Commission Resolution No. 7091 is on file with the Clerk of the Board
27 of Supervisors; and

28 WHEREAS, The Airports Commission, by Resolution No. 73-0234,
29 copy of which is on file with the Clerk of the Board of Supervisors,
30 has adopted said final environmental impact report and has recommended

BOARD OF SUPERVISORS

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1 that this Board of Supervisors adopt same; and

2 WHEREAS, This Board has conducted a public hearing as a
3 Committee of the Whole on the matter of adoption of the final en-
4 vironmental impact report as a condition precedent to determining
5 whether or not to carry out said project; now, therefore be it
6 RESOLVED, That this Board of Supervisors signifies its con-
7 sideration of the final environmental impact report entitled "Final
8 Environmental Impact Report, San Francisco Airport Expansion, San
9 Francisco International Airport, - 73-88, October 18, 1973" by
10 adopting said final environmental impact report; and be it

11 FURTHER RESOLVED, That this Board of Supervisors hereby finds
12 and determines that the San Francisco International Airport Expansion
13 Program as proposed and approved by the Airports Commission will have
14 a significant effect on the environment; and be it

15 FURTHER RESOLVED, That this Board of Supervisors adopts and
16 incorporates herein by reference the findings in Airports Commission
17 Resolution No. 73-0234, copy of which is on file with the Clerk of
18 the Board of Supervisors, and further finds and determines that the
19 overall social, economic and environmental benefits of the project as
20 proposed outweigh the significant adverse environmental effects on the
21 environment and that it is in the public interest that the San
22 Francisco International Airport Expansion Program as proposed and
23 approved by the Airports Commission be carried out.

DEC 26 1973

Adopted-Board of Supervisors, San Francisco.

Attest: Supervisors Bartholme, Chien, Solis, Berman, Gonzalez, Moschetti, Mendicino, Milstein,
Rubin, Tamara, van Bredonck.

Meini Supervisors JUNCTION 1077 MOUNING FILED.

Absent: Supervisors FRANCISCO.

I hereby certify that the foregoing resolution was adopted by the
Board of Supervisors of the City and County of San Francisco.

Robert F. Marshall
Robert F. Marshall
Clerk of the Board of Supervisors

2 7-73-2 DEC 26 1973

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AIRPORTS COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 77-0144

WHEREAS, City owns and operates San Francisco International Airport located in the County of San Mateo, State of California; and

WHEREAS, the legislative history of the Department of Transportation Appropriation Act of Fiscal Year 1973 (HR 921081) indicated that it was the intent of Congress to utilize certain funds of that appropriation to finance the construction of a new airport traffic control tower at San Francisco International Airport; and

WHEREAS, City needs expansion and improvement of facilities at said airport which requires construction of a new control tower in the Central Parking Complex; and

WHEREAS, City is willing to relocate and complete the construction of said control tower and the United States Government is willing to provide \$2,100,000 to assist the City to achieve this; and

WHEREAS, proposed forms of a Construction Agreement and of a Space Lease, copies of which are on file with Commission's Secretary, have been presented to this Commission for its consideration and approval; be it

RESOLVED, that the aforesaid form of proposed Construction Agreement with the United States Government, bearing Contract No. DOT FA76WE-3747, is hereby approved and the Director of Airports is authorized and directed to execute said agreement in the form herein approved; and, be it further

RESOLVED, that in consideration of the provision

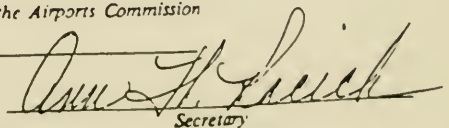
(continued -)

AIRPORTS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 77-0144

of said \$2,100,000 by the United States Government and of the obligations assumed by it in its operation of the control tower facilities in the premises hereinafter referred to, this Commission hereby approves that certain space lease with the United States Government bearing Contract No. DOT FA76WE-3702, which provides, among other things, for the lease of 6,610 square feet of rent free space in the control tower to be constructed at San Francisco International Airport and of forty (40) parking spaces adjacent to said tower commencing upon the date of occupancy for one year; and renewable annually thereafter to September 30, 2007, at the option of the United States; and, be it further

RESOLVED, that this Commission hereby authorizes the Secretary of the Commission to transmit to the Board of Supervisors a certified copy of this resolution (together with copies of this lease), recommending consideration and approval by that Honorable Board of the foregoing lease to the United States Government.

I hereby certify that the foregoing resolution was adopted by the Airports Commission
at its meeting of MAY 17 1977


Secretary

1 APPROVING AGREEMENT BETWEEN THE CCSF AND THE U.S. OF A. FOR
2 CONSTRUCTION OF A NEW AIR TRAFFIC CONTROL TOWER AT SFO AND LEASE
3 OF SPACE THEREIN FOR AIRPORT CONTROL TOWER FACILITIES.

4 WHEREAS, Airports Commission Resolution No. 77-0144,
5 adopted May 17, 1977, approving the agreement between the CCSF and
6 the U.S. of A. for construction of a new air traffic control tower
7 at SFO and lease of space therein to the Federal Aviation Admin-
8 stration for airport control tower purposes states as follows:
9 "WHEREAS, City owns and operates San Francisco International
10 Airport located in the County of San Mateo, State of California;
11 and
12

13 WHEREAS, the legislative history of the Department of
14 Transportation Appropriation Act of Fiscal Year 1973 (HR 921081)
15 indicated that it was the intent of Congress to utilize certain
16 funds of that appropriation to finance the construction of a new
17 airport traffic control tower at San Francisco International
18 Airport; and
19

20 WHEREAS, City needs expansion and improvement of facilities
21 at said airport which requires construction of a new control tower
22 in the Central Parking Complex; and
23

24 WHEREAS, City is willing to relocate and complete the
25 construction of said control tower and the United States Government
26 is willing to provide \$2,100,000 to assist the City to achieve
27 this; and
28

29 WHEREAS, proposed forms of a Construction Agreement and
30 of a Space Lease, copies of which are on file with Commission's.

BOARD OF SUPERVISORS

-3-

31 Secretary, have been presented to this Commission for its con-
32 sideration and approval; be it

33 RESOLVED, that the aforesaid form of proposed Construction
34 Agreement with the United States Government, bearing Contract No.
35 DOT FA76MK-3747, is hereby approved and the Director of Airports
36 is authorized and directed to execute said agreement in the form
37 herein approved; and, be it further

38 RESOLVED, that in consideration of the provision of said
39 \$2,100,000 by the United States Government and of the obligations
40 assumed by it in its operation of the control tower facilities
41 in the premises hereinafter referred to, this Commission hereby
42 approves that certain space lease with the United States Govern-
43 ment bearing Contract No. DOT FA76MK-3702, which provides, among other
44 things, for the lease of 6,610 square foot of rent free space in
45 the control tower to be constructed at San Francisco International
46 Airport and of forty (40) parking spaces adjacent to said tower
47 commencing upon the date of occupancy for one year; and renewing
48 annually thereafter to September 30, 2007, at the option of the
49 United States; and, be it further

50 RESOLVED, that this Commission hereby authorizes the
51 Secretary of the Commission to transmit to the Board of Supervisors
52 a certified copy of this resolution (together with copies of the
53 lease), recommending consideration and approval by that honor-
54 able Board of the foregoing lease to the United States Government."

55 WHEREAS, Copies of said Resolution have been submitted
56 to this Board and are before it for its consideration and said
57 Commission has recommended approval thereof by this Board; now
58 therefore, be it

59

RECEIVED

JUL 29 1977

BOARD OF SUPERVISORS

-2-

RESOLVED, That the Board of Supervisors of the CC-7

heroby approves said Resolution No. 77-0144 of the Airports

Commission adopted May 17, 1977, agreeing to construction of a

new Air Traffic Control Tower at SFIA and to lease of space therein

to the Federal Aviation Administration for Airport Control Tower

purpose.

APPROVED AS TO FORM

Thomas H. O'Connor

Thomas H. O'Connor

BY *Geo. E. Magill*

General Counsel

By City Attorney

RECEIVED

JUN 20 1977

JUL 5 1977

JUL 5 1977

Adopted - Board of Supervisors, San Francisco

Ayes: Supervisors Barbarelato, Feinstein, Francisco, Gonzales, Kopp, Mendelsohn, Molinari, Nelder, Priddy, Tamara, von Bröckling.

I hereby certify that the foregoing resolution was adopted by the Board of Supervisors of the City and County of San Francisco.

Thomas H. O'Connor

FILED

7/14/77

Approved

2777-7

File No.

2777-7

BOARD OF SUPERVISORS

- 3 -

SAN FRANCISCO AIRPORTS COMMISSION



DOCUMENTS DEPT.

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MINUTES

JANUARY 17, 1978

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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MAY 10 1959

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Call to Order:

2:40 PM

Present:

Commissioners Morris Bernstein,
Ruth S. Kadish and William E.
McDonnell.

Absent:

Commissioner William K. Coblentz.

The Minutes of the Airports Commission meeting of January 3, 1978, were approved.

President Bernstein called for the Director's reports prior to commencing the discussion of the Calendared items.

The outstanding Airport policeman of the year, Officer Alexander Jackson, was presented. He was selected for his outstanding service and merit. Commission members joined in congratulations to him.

It was also noted that Chief Paul Lawler was returning to duties of Captain with the San Francisco Police Department; the new Airport Police Chief, Tom Dempsey, was introduced to the Commission. Mr. Heath said Chief Charles Gaines, SFPD, assured him he could expect the same fine performance from Captain Dempsey as has been rendered by Captain Lawler.

It was brought to the attention of the Commission that Mr. Al Kaiser, United Airlines Property Manager and President of the Airlines Policy Committee, would be retiring soon. After offering their congratulations and comments regarding the years of service and cooperation rendered by Mr. Kaiser, the Commission voted that a resolution be adopted and presented to Mr. Kaiser. Mr. Kaiser stated his appreciation of the recognition he was receiving from the Commission. Resolution No. 78-0026 was approved.

Mr. Heath added that Mr. Julian Bardhoff of the Water Department was retiring. The Airports Commission added a congratulatory resolution on the occasion of his retirement in view of Mr. Bardhoff's 17 years of service in behalf of the Airport. Resolution No. 78-0027 was approved.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0015

Resolution declaring the existence of an emergency due to the failure of a 12,000 volt electrical cable at the North end of the airfield.

Mr. Richard Heath, Director of Airports, stated this is an emergency repair that took place last week. We were able to make repairs for approximately \$3,000 and a formal resolution is required to ratify this action.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0016

Resolution authorizing professional services agreement, Main Lafrentz & Company.

Mr. Heath said this resolution approves an agreement with Main Lafrentz and Company, who will prepare a statement in connection with the issuance of Airport revenue bonds. He said in order to sell bonds a statement is needed of our financial condition for the first six months of the fiscal year.

Commissioner Kadish expressed her gratitude that Mr. Heath had been successful in moving this appropriation through the Board of Supervisors.

When Commissioner McDonnell inquired what firm did similar work on the 1975 bond issue and was told Hood and Strong; he then asked if this firm was hired to produce projections for the Airport. He was told it was going to work only on bond documents. He then asked what Peat, Marwick and Mitchell did and was told they had produced the Financial Feasibility Report prior to the 1975 bond issue. He said he thought John Brown Co. did this and was told they made a Traffic and Earnings report for the 1975 bond statement. The Controller selects accountants to do annual audits for the City and they are changed every three years.

Commissioner Kadish asked how \$2 million per year was projected for Capital Improvements when the current requirement is already at \$10 million. She asked J. Peter Singer, Deputy Director, Business and Finance, to insure that the accountants make no projections for the future and he agreed. He said their primary purpose is to prepare the financial statement.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolutions were adopted:

No. 78-0017

Resolution accepting the work under Airport Contract No. 812, Partial Overlay, Reconstruction and Repair, Runway 10R-28L, as satisfactorily completed; approving and requesting the Controller's certification of Credit Modification No. 6 in the amount of \$238,077.98; extending the completion date from October 4, 1977 to November 16, 1977; and approving final payment in the amount of \$247,333.17 in favor of the contractor, McGuire and Hester, 796 - 66th Avenue, Oakland, CA 94621.

No. 78-0018

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 925-7, No. 925-8 and 925-9 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 4 in the amount of \$14,533.15.

No. 78-0019

Resolution approving and requesting the Controller's certification of Debit Modification No. 18 to Airport Contract No. 950, Boarding Areas H & I and Connector

No. 78-0020

Resolution approving and requesting the Controller's certification of Debit Modification 19 to Airport Contract No. 950, Boarding Areas H & I and Connector.

No. 78-0021

Resolution approving and requesting the Controller's certification of Debit Modification No. 6 to Airport Contract No. 977, Expansion of Electrical Distribution System, Phase I, authorizing payment to the contractor in the total amount of \$35,376.63.

No. 78-0022

Resolution approving and requesting the Controller's certification of Debit Modification No. 14 to Airport Contract No. 1000, authorizing payment to the contractor in the total amount of \$46,031.00.

No. 78-0023

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 28 thru 31, and requesting the Controller's certification of Modification No. 15 to Airport Contract No. 1000, in the total amount of \$20,354.00.

No. 78-0024

Resolution approving and requesting the Controller's certification of Debit Modification No. 16 to Airport Contract No. 1000, in the total amount of \$42,871.00.

With reference to Contract 812, Commissioner McDonnell inquired whether April 18 was the starting date of the work, and was told that it was and that the contract was awarded in March 1977. He then asked in what year it was budgeted and was told that it was in the budget for 1976-77.

Commissioner Kadish said she understood it was about six weeks period from the time between the Commission approval and the effective date and felt that rapid administrative handling would have some cost effect.

Mr. Robert Lee, Deputy Director, Planning and Development, informed her that this was not the case because only certain projects which must get underway immediately are hand-carried through channels.

Mr. Heath said we are strongly involved in drafting the explanations to make them less technical and more descriptive. We will have that beginning next Commission meeting.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0025

Resolution accepting the work performed under Controller's Contract No. 70170, Professional Services, to conduct a seismic risk and site response study for the proposed Air Traffic Control Tower, as satisfactorily completed and approving final payment in the amount of \$7,000 to Dames & Moore, Civil Engineers.

Mr. Heath said this finalized the contract for seismic study. There was a two-month delay in completion of the contract.

Commissioner Kadish asked if there were any seismic problems.

Mr. Robert Lee said the seismic study is in three parts. This study pertains to soil and foundation. After the structural analysis is completed, the framework will be checked against wind studies.

Commissioner McDonnell asked if Dames & Moore is working on the Garage. Mr. Lee said that firm is retained by CMC for any problems that may occur on an ongoing contract as required during construction.

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolution was presented:

Resolution approving the proposed Fiscal Year 1978-79 operating budget for official filing with the City Controller, in accordance with Section 6.200 of the San Francisco City Charter.

Mr. Heath explained he was only recently informed that the budget sessions are usually divided into two sessions, which would be the case in the future. He suggested that reductions can be made after the budget document is submitted to the Mayor. He proceeded to explain the various expenditures in the proposed budget, pointing out increases and the reasons why increases were necessary.

Commissioner Kadish questioned the total amount of the budget and how that figure was determined, which was explained by Mr. Heath.

Mr. Heath then called the Commission's attention to the fact that the Airport is structured by law as a break-even operation financially and that the expenses are met by airport revenues which can be increased by increasing landing fees and rentals.

Commissioner McDonnell requested that the City Attorney's portion of the budget be heard first. The Honorable George Agnost, City Attorney, explained the circumstances surrounding the requests for additional personnel, stating that this would enable his office to give better service to the Airport. He explained the additional services that would be included, such as preparing leases and permits for the tenants, as well as a training program for deputy city attorneys assigned to the Airport.

Commissioner McDonnell inquired about last year's expenditures for City Attorney services, asking if we were already paying over and above our requirement for the services we were receiving.

Mr. Singer stated we are paying for 3½ attorneys at about \$40,000 each. Commissioner McDonnell said he would like a complete breakdown on what we have paid and what we will pay in the future.

Commissioner Kadish said the Commission was not contacted on the decision to add attorneys and secretaries. She asked if these are the same persons who occupied the job last year or are these new persons. She was told these are the attorneys who usually serve the Airport.

Mr. Agnost said he had met with Mr. Heath to improve City Attorney's service at the airport by adding Don Garabaldi and Ms. Donbach to the Airport staff.

Commission Kadish asked if the Mayor and the Board of Supervisors could include the necessary funds in the City Budget to make a change in the City Attorney's Office, rather than add to the Airport budget.

Commissioner Bernstein questioned the City Attorney on his staff and its services to the airport to justify the additional staff requested.

Mr. Agnost assured him the services would more than compensate for the additional staff requested, that his Airport staff would be supervised and that their services would be of a better quality.

Commissioner Kadish noted that contracts have a notation stating that they are approved by the City Attorney's office as to form. She wondered if the Attorneys would take a more active role in drafting the contracts and agreements and was told that they would, in fact, they would write some agreements and by so doing be able to remove some ambiguities.

Mr. Emmett Smith, Assistant Deputy Director, Business & Finance, stated the operating portion of agreements is now written by the Airport staff and then turned over to the City Attorney for review. Mr. Agnost suggested that the procedure should be reversed.

When Mr. Bernstein asked why we didn't get the service before, that is now proposed, Mr. Agnost stated that was under a different administration.

Commissioner McDonnell reminded the Commission that the former City Attorney operated with Public Utilities Commission until 1970 when the Airports Commission became a separate entity.

Mr. Heath then went over the balance of the budget and explained each item.

Commissioner Kadish congratulated the staff on the form of the budget and said in going over the budget it is necessary to see where it might be cut, noting that personnel had already been cut. She requested some additional information on capital expenses, and said if compared with last year, we would be more than tripling the landing fees, and asked if there is a system for setting priorities and record-keeping. She asked if there is a record listing all capital improvement projects, or a capital improvements master plan or a personnel work plan. She received a negative reply.

Commissioner Kadish said last year we did \$3 million in capital improvements, and asked if we could do more than three times as much this year, since we have had to put out a lot of our work because of a lack of airport personnel.

Mr. Lee stated his staff does not have the capability to design the airport bond fund expansion programs. He said his staff is entirely capable of doing all the field work. He cited examples and explained typical projects in detail.

Commissioner Kadish said, she desired to reduce the size of this budget item and that appropriate cuts be made. She noted that contractual expenses increased 111% in other contractual services and asked why we are going to need more professional services this coming year than we have had in the past year.

Mr. Heath stated that construction prices and lawyers fees have increased. There are also inflationary increases. Part of the cost increase is due to the growth of our activities.

Commissioner McDonnell questioned the \$9 million increase to service the bonds.

Mr. Heath said there will probably be two supplemental budgets. There may be a supplemental budget for bonds. If we start to capitalize those bonds there will have to be additional expenditures.

Commissioner McDonnell asked if there was an estimate when this would come before the Commission and was told before March 15. Commissioner McDonnell then asked if this would be a portion of this budget.

Ms. Mary Callanan, Head Accountant, said one is to go to supplemental budget to be considered by the Mayor and the Board of Supervisors together. The supplemental appropriation will be considered after the final budget is considered. When asked how many votes that would take, she said six.

Commissioner McDonnell hoped that they would have some work sessions on the bond fund for the \$9 million prior to its getting to the Commission. What about control of cost? Light, Heat and Power. The Airport cost for utilities is \$1.8 million. Utilities costs for the airlines and airport have increased by \$5 million. The airlines are suing the City of San Francisco on the basis that this is an unfair raise of rates.

Mr. Al Kaiser said there is a suit by three airlines.

Commissioner McDonnell said if the airlines win this case the amount of dollars is tremendous. We should look ahead to the payment of a suit. It could be devastating to the general fund. I think we must look into this charge. We should file suit so that we are on record that this is wrong. When he asked if the same rates are being charged to the Water Department, he received a negative reply.

Ms. Mary Callanan said the Water Department indicated that they may lose their discount.

Commissioner McDonnell then asked for an explanation on the top item under Personnel current positions.

Mr. Singer said last year the Mayor or Board of Supervisors reduced personnel costs by 6% under the general assumption that all positions would not be filled all year. We questioned whether we should use the same 6% figure this year or whether we should use some other figure. The \$8.6 million is the full salary cost of each position. It is because of the 6% salary savings plus 1/2% for anticipated promotional increases. This does not reflect increases from the new salary standardization schedule so it will increase. It will be changed by the new salary standardization ordinance.

Commissioner McDonnell asked if all police positions are filled and was told that they were. When he asked if all janitorial supervisors positions were filled, he was told that they were. He asked about other jobs, and Mr. M. Bagan, Deputy Director, Operations/Maintenance, said there are several electrical jobs that are not filled. He said we can recruit outside of Civil Service. He asked why a third gardener is requested and it was explained that although the newly landscaped section is monitored under contract, there are lots of other areas that need attention, such as the new terminal areas that will need increased gardening services.

Commissioner McDonnell asked about employee transportation. He was told that it was previously provided and the Board of Supervisors deleted that cost. The employees filed a lawsuit which was successful at the trial court level. The case is on appeal and if it is not reversed it will have to be paid.

Commissioner McDonnell requested a breakdown for each division be forwarded to the Commission concerning telephone, maintenance and cleaning costs. He asked if window washing was under contract and was told that it is.

Commissioner Kadish questioned the cost of a paint truck for \$60,000.

Commissioner Bernstein said that Mr. Ronald Wilson, Assistant Deputy Director, Maintenance, convinced him it was necessary.

Mr. Ronald Wilson said this paint truck replaces three vehicles, one of which is a 20-year old pickup to tow the other two. One is a self-contained unit which paints the runways on a once-a-week basis. This has to be done so often because it is in the touchdown zone, which wears off frequently. All three pieces are usually out of commission at one time or another. The new paint truck has the ability of painting hot which means it will dry in about 12 minutes. Out of all that we are requesting, this is the most important. The Commission requested a brochure on the paint truck.

Mr. Lee introduced the problem of jet blast from DC-10's and said that a 14 foot fence has been requested by the airlines. Commissioner McDonnell asked if the fence was tested and approved by the airlines and if the pilots are in agreement that 14 feet is as high as they can go.

Mr. Heath explained that as the blast from the lower jets goes back and hits the fence, it goes straight up and forms a barrier to the higher jet blast.

Commissioner McDonnell again asked if the pilots are in agreement on the 14 foot and whether we were talking about the blast fence to take care of the problems on the freeway or are we thinking about moving the threshold back. He was told that after the blast fence is installed we will continue the 600 foot threshold. The only thing we are asking is raising the height of the blast fence.

In regard to the pumping station, Commissioner McDonnell asked if all the material is ready to go.

Ms. Mary Callanan said we had a \$2 million appropriation.

Commissioner McDonnell had a question on the extension of taxiways regarding the start of planning on a possible \$2 million project and whether we are that close to doing that type of job.

Mr. Lee stated we are not and that this project could be delayed, that we will probably not get to it until the second half of the fiscal year.

On \$3 million for partial reconstruction for the intersections: There is no calendar date. Today we added the final contract. Commissioner McDonnell said he asked at that time if you had any other overlays, and there was never any mention of this project. He asked if overlay was necessary and was told that it was. Mr. Lee said we couldn't touch the intersections at the time because if we did we would have to close the airport. The intersections were last reconstructed in 1970 and have weak spots. He asked Gene Bordegaray, Engineering Staff, to explain who said, historically, the intersections would last about eight to ten years.

Commissioner Kadish said there should be a procedure set up so that next time we won't have to rely on someone's memory and asked if there was record-keeping.

Commissioner McDonnell asked if the utilities for plot 50 could be put off for a year. Mr. Emmett Smith said property that has not been prepared cannot be rented. Commissioner McDonnell asked that the item be deleted and if it has to go we would do it on a supplemental.

On improvements to the Engineering Building, Commissioner McDonnell asked Mr. Lee if he has any plans, and reminded him that it was requested to completely gut that building. McDonnell said instead of using the \$500,000.00 to get the plans made, they should begin doing something, and erect what is needed. There should be a timetable and he would like that item changed.

McDonnell then asked why the repaving cannot be done by bond funds, and was told that it could. He then recommended that \$200,000 be assigned to bond funds and reduce the Engineering Building to \$50,000; leave other projects in, including \$250,000 for terminal work. On total capital improvements he would vote for \$5,350,000.00.

Commissioner Bernstein called for comments from the airlines. Mr. Thomas Welch read a prepared statement, a copy of which is attached to these minutes and incorporated herein by reference.

Commissioner Kadish said in light of the discussion and questions raised by the Commissioners and recognizing that the airlines received their copy of the budget yesterday, she recommends that the budget not be passed today, that a special meeting be called next Tuesday, and that in the interim Mr. Singer and staff be asked to take into consideration all the recommendations made today and put them into effect in the final draft of the budget. She also hoped that the revised budget will be in the hands of the airlines and other concerned parties in sufficient time to study it in depth.

Commissioner McDonnell said this will be brought to the Policy Committee meeting on Thursday for the airlines to review it and come back to the Commission. He asked that airlines not only give the budget broad thought but get into the profit aspects.

A motion was made by Commissioner Kadish, seconded by Commissioner McDonnell and adopted deferring action on the proposed budget until 2:30 PM, January 24, 1978. There being no further calendared matters, the meeting adjourned at 6:07 PM.

Warren D. Hanson

Warren D. Hanson
Acting Secretary
Airports Commission

BROBECK, PHLEGER & HARRISON

ATTORNEYS AT LAW

SPEAR STREET TOWER

ONE MARKET PLAZA

SAN FRANCISCO, CALIFORNIA 94105

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SEVEN SEVENTY WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 900 7
(213) 613-0900

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(415) 442-1010
CABLE: BROBECK
TELEX 34228 BPH SFO

January 17, 1978

San Francisco Airports Commission
San Francisco International Airport
San Francisco, California 94128

Attention: Mr. Morris Bernstein, President

Members of the Airports Commission:

We are submitting this letter on behalf of the Airlines Policy Committee (the "Committee") which represents those airlines listed in Appendix A to this letter (the "Airlines").

The Committee has been advised that, contrary to the specific provisions of the several Landing Fees Agreements between the Commission and the Airlines providing for review and adjustment of landing fees at three-year intervals, the Commission proposes to approve a 1978-79 budget contemplating increased landing fees to generate additional revenues of up to \$15,000,000. We understand that the budget shortages giving rise to the contemplated fee increases are generated in substantial part by the Commission's plan to finance certain capital improvements on a current rather than long term basis.

San Francisco Airports Commission
January 17, 1978

2.

The Airlines object to and protest any proposed increases in landing fees on the following grounds:

1. The Commission lacks authority under the Landing Fees Agreements to increase landing fees for this purpose at this time.

2. The Commission has improperly depleted the Airports Revenue Fund by applying Airport revenues to purposes unauthorized by the Landing Fees Agreements. This depletion of the Airports Revenue Fund has been effected by (a) diverting the earnings thereon to the General Fund of the City in violation of Sections 6.311 and 6.408 of the City Charter and Section 4(h) of the Landing Fees Agreements; (b) diverting interest on the proceeds of the 1967 Airport General Obligation Bonds to the General Fund instead of allowing such interest to accrue to the bond fund as required by Section 6.311 of the City Charter, thereby generating need for Airports Revenue Fund moneys for the funding of capital improvements which could and should be funded out of such interest accruals; (c) applying \$820,000 annually of current Airport revenues to a sinking fund for General Obligation Bond retirement properly chargeable to fiscal years ending after June 30, 1988; (d) prepaying in

San Francisco Airports Commission 3.
January 17, 1978

fiscal year 1974-75 of \$4,000,000 beyond the amount specified by Section 4(h)(7) of the Landing Fees Agreements, for repayment to the City of funds previously advanced by the City for Airport purposes; and (e) prepaying in fiscal year 1976-77 an additional \$2,000,000 beyond the amount specified in Section 4(h)(7) of the Landing Fees Agreements, for repayment to the City of funds previously advanced by the City for Airport purposes.

3. If the Commission had not improperly applied moneys in the Airports Revenue Fund and accruing to the Airport General Obligation Bond Fund, the Airports Revenue Fund would currently have available well in excess of the additional amount required to meet whatever needs exist.

Power of the Commission to Adjust Fees. The Landing Fees Agreement provides two procedures for adjusting landing fees. The first requires, not less than 120 days prior to the expiration of each three-year period, the Director of Airports and the Airlines shall confer with respect to the need for adjustments in fees for the three-year period beginning the July 1 next following (Section 4(c)). Such a procedure has been followed with respect to the period beginning July 1, 1976, and the conclusion was reached, and communicated by William J. Dwyer's letter to

San Francisco Airports Commission 4.
January 17, 1978

A. J. Kaiser, dated May 3, 1976, that no such increases were required. In such case, the Landing Fees Agreements provide that for the ensuing three years landing fees shall remain at the level fixed for the preceding three-year period (Section 4(d)).

In the interim, the landing fees may only be adjusted pursuant to Section 4(g). This permits reopening of the subject of landing fees levels only

"when necessary in order to avoid City tax support due to the apparent inability of Airport revenue to pay for all Airport expenses incident to its operation and maintenance, or to pay, subject to Section 4(e) [*] hereof, the interest and sinking fund for any bond issued for the acquisition, construction of said Airport."
(Emphasis supplied.)

Taken together, Section 4(c) and Section 4(g) clearly state that if landing fees are not adjusted prior to the adjustment date (here July 1, 1976) as provided by Section 4(c), they may be adjusted prior to the next adjustment date (here July 1, 1979) only if necessary to

* Section 4(e) provides for submission to the Airlines of any capital improvement program to be funded by a bond issue.

San Francisco Airports Commission
January 17, 1978

5.

provide funds for Airport operation and maintenance or for interest and sinking fund requirements on Airport bonds.

Financing capital improvements on a current basis, and meeting deficiencies created by past misapplication of funds available for airport improvements and airport purposes do not justify adjustments in the interim under Section 4(g) of the Landing Fees Agreements. Accordingly, the Commission lacks authority under the Landing Fees Agreements to adjust landing fees at this time.

Interest on Airports Revenue Fund. Section 6.311 of the 1971 Charter provides in pertinent part that

"all moneys and checks received by any officer or employee of the city and county for, or in connection with the business of, the city and county, shall be paid or delivered into the treasury not later than the next business day after its receipt, and shall be receipted for by the treasurer . . .

* * *

"All interest on moneys deposited shall accrue to the benefit of the city and county, except that interest derived from the deposit of any bond, utility, pension, trust or other fund created for a specific purpose shall accrue to such fund . . ." (Emphasis supplied.

San Francisco Airports Commission 6.
January 17, 1978

The Airports Revenue Fund created by Section 6.408 of the 1971 Charter is a "utility . . . or other fund . . . created for a specific purpose."^{*} Section 6.408(a) of the 1971 Charter specifically provides that

" . . . The entire gross revenues of the airports commission shall be set aside and deposited into a fund in the city and county treasury to be known as the 'Airports Revenue Fund.' All amounts paid into said fund shall be maintained by the treasurer separate and apart from all other city and county funds and shall be secured by his official bond."

The "specific purpose" of the Airports Revenue Fund is described by Section 6.408(b) as being

" . . . the financing, maintenance and operation of airports and related facilities owned, operated or controlled by the [airports] commission. . . ."

The requirement that earnings on moneys in the Airports Revenue Fund shall accrue to the fund is found not only in the general language of Section 6.311 relating to funds for special purposes but is also a specific requirement of Section 6.408 creating the Airports Revenue Fund itself.

* The Airport is a public utility, People v. Western Air Lines, Inc., 204 Cal.App.2d 105, 126-133. Accordingly, the Airports Revenue Fund constitutes a "utility fund" within the meaning of Section 6.311.

San Francisco Airports Commission 7.
January 17, 1978

Section 6.408(b) provides that

"Moneys in the Airports Revenue Fund including earnings thereon shall be appropriated, transferred, expended or used . . . "

for Airport purposes in accordance with the priorities set forth in that section. (Emphasis supplied.)

Section 4 of the Landing Fees Agreements provides that for purposes of considering adjustment of landing fees, interest on the Airports Revenue Fund shall accrue to that fund. Therefore, the amount of such interest, including all that has been improperly excluded in the past, must be considered in determining whether an increase in landing fees is required in order to provide for the Airport purposes to which such moneys are to be applied.

The preamble to the Landing Fees Agreements states in part that

". . . [I]t has been and is this [Airports] Commission's policy that all Airport revenues shall be expended for Airport purposes, subject to the provisions of the City's Charter; . . . "

Section 4(h) of the Landing Fees Agreements provides that in adjusting landing fee rates, as provided in the Agreements,

". . . it is understood and agreed that moneys in the Airports Revenue Fund, as defined in Charter Section 6.408, consisting (subject to the budget and fiscal

San Francisco Airports Commission
January 17, 1978

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provisions of the City Charter) of the entire gross revenue of the Commission and earnings of the Fund thereon, shall be appropriated, transferred, expended or used for the following purposes pertaining to the financing, maintenance and operation of the Airport and related facilities owned, operated or controlled by the Commission and only in accordance with the following priority:

"(1) The payment of operation and maintenance expenses for the Airport or related facilities;

"(2) The payment of pension charges and proportionate payments to such compensation and other insurance or outside reserve funds as the Commission may establish or the Board of Supervisors may require with respect to employees of the Commission;

"(3) The payment of principal, interest, reserve, sinking fund, and other mandatory funds, created to secure any revenue bonds hereafter issued by the Commission for the acquisition, construction or extension of the Airport, or any airports or related facilities owned, operated or controlled by the Commission;

"(4) The payment of principal and interest on general obligation bonds heretofore or hereafter issued by the City and County of San Francisco for airport purposes;

"(5) Reconstruction and replacement as determined by the Commission or as required by any Airport revenue bond ordinance or resolution duly adopted and approved;

"(6) The acquisition of land, real property or interest in real property for, and the acquisition, construction, enlargement and improvement of new and existing buildings, structures, facilities, utilities, equipment, appliances and other property necessary or convenient for the development or improvement of the Airport or any airports and heliports owned, controlled or operated by the Commission in the promotion and accommodation of air commerce or navigation and matters incidental thereto;

"(7) The return and repayment into the General Fund of the City and County of San Francisco of any sums paid by the City and County of San Francisco from funds raised by taxation for the payment of the interest on and principal of any general obligation bonds heretofore issued by the City and County of San Francisco for the acquisition, construction and improvement of the Airport, consisting of the return and repayment into the General Fund of the City and County of San Francisco of the sum of \$2,000,000 in each fiscal year, commencing with the Fiscal Year 1973-74, until there shall have been returned to the City and County of San Francisco the sum of \$24,388,104;

"(8) For any other lawful purpose of the Commission, including the deposit from time to time as revenues become available therefor in the Airport Contingencies Reserve Fund (created by Commission Resolution No. 73-0065, adopted March 30, 1973) until there shall be accumulated in said fund the aggregate sum of \$5,000,000;

"All remaining revenues after making the foregoing allocations, including the accumulation of said aggregate sum in the Airport Contingencies Reserve Fund, shall be available to the Commission for all lawful purposes, subject to the provisions of the Charter." (Emphasis supplied.)

San Francisco Airports Commission
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The Airlines have estimated that in the period 1965 through 1976 earnings in that fund aggregating approximately \$8,000,000 have been transferred to the General Fund in contra-vention of Sections 6.311 and 6.408 of the Charter. Had these transfers not been made, this sum, increased by the further earnings thereon, would have been available to provide moneys for the budgeted capital improvements and other Airport purposes.

Interest on Airport General Obligation Bonds. On March 25, 1974, the City sold the remaining \$31,900,000 principal amount of Airport Bonds authorized in the 1967 election. Proceeds from these and previous Airport Bonds issued pursuant to the 1967 authorization were not immediately expended after their receipt, but were reinvested in interest-bearing deposits or securities. While so held, they constituted a "bond . . . or other fund created for a specific purpose." Under Section 6.311 of the Charter governing such a fund, "interest derived from the deposit of any [such] fund . . . shall accrue to such fund."

This requirement of Section 6.311 of the Charter is consistent with state law. The Attorney General has held that interest earned on the proceeds of assessment district bonds should be credited to the improvement fund into

which the bond proceeds were placed and not to the general fund of the City, 49 Ops.Cal.Atty.Gen. 59 (1967). The courts have held likewise: Pomona City School District v. Payne, 9 Cal.App.2d 510 (school district funds); Board of Law Library Trustees of Los Angeles County v. Lowery, 67 Cal.App. 2d 480 (county law library funds); Metropolitan Water District of Southern California v. Adams, 32 Cal.2d 620 (money deposited as security for payment of condemnation awards); Ostley v. Saper, 147 Cal.App.2d 671 (interpleaded funds).

The Airlines estimate that after the 1967 general obligation Airport Bonds were authorized interest in excess of \$20,000,000 on the unexpended proceeds of those issued has been transferred to the General Fund of the City.

Had this interest not been transferred to the General Fund in violation of Section 6.311 of the Charter, these moneys would have been available for Airport purposes, including the capital improvements and other expenses now budgeted for 1978-79.

General Obligation Bond Sinking Fund. In each fiscal year from 1976-77 through 1987-88 the Commission has set aside and proposes to set aside from Airport revenues the sum of \$820,000 to be paid into a special sinking fund to assure the payment of debt service on general obligation bonds here-

San Francisco Airports Commission
January 17, 1978

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tofore issued by the City for Airport purposes which will remain outstanding on June 30, 1988. These payments are not required for debt service on these bonds in years prior to 1988-89, which are already separately funded by existing landing fees. By establishing this sinking fund of \$9,840,000 for future debt service, and by charging the Airports Revenue Fund for the payments to such fund, the Commission is in effect requiring the Airlines to prepay by as much as ten years a debt service obligation properly chargeable to Airport revenues in years subsequent to 1987-88.

It is erroneous for the City to contend that this special sinking fund is required to assure the general obligation bonds nontax security because they "are now being subordinated to the revenue bonds without corresponding electorate approval," since the electorate did approve the priority of revenue bond debt service over general obligation bond debt service in its approval of City Charter Section 6.408 in 1970, which specifically provides for such priority.

As landing fees are to be fixed at levels which will provide funds for current debt service requirements, charging the Airports Revenue Fund for \$820,000 annually of non-mandatory future debt service expense is arbitrary,

San Francisco Airports Commission
January 17, 1978

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unreasonable and contrary to Section 4(h) of the Landing Fees Agreements.

Prepayment of Advances by the City. By its Resolution No. 74-0057, adopted May 7, 1974, the Commission authorized the transfer to the General Fund of \$4,000,000 from the Airports Revenue Fund in prepayment of advances by the City for Airport purposes. By Resolution No. 76-0121, adopted July 6, 1976, the Commission authorized an additional prepayment of \$2,000,000. The Airlines duly protested each of these actions by the Commission as being contrary to the Landing Fees Agreements. With respect to the 1974 transfer the City Attorney acknowledged that the \$4,000,000 transferred would be a credit in favor of the Airlines on the occasion of any future adjustment of landing fees. By letter dated December 3, 1974, the Airlines expressly reserved all rights with respect to that transfer "including the treatment of that transfer in adjusting landing fee rates hereafter." The same consideration should be given to the transfer authorized by Resolution No. 76-0121.

By reason of these repayments, the Commission has paid to the City the sum of \$14,000,000 through fiscal year 1976-77, instead of the \$8,000,000 specified by Section 4(h)(7) of the Landing Fees Agreements. As the Landing Fees Agreements

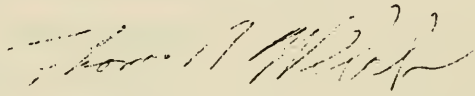
specify that only \$2,000,000 per year of such repayments may be considered in adjusting landing fees, the Airlines are entitled to recognition of the \$6,000,000 of prepayment made in 1974 and 1976 in any contemplation of the adjustment of landing fees.

Under the circumstances set forth, the Commission is not authorized under the Landing Fees Agreements to increase such fees. Any such adjustment would be arbitrary, unreasonable and contrary to the Landing Fees Agreements.

Very truly yours,

BROBECK, PHLEGER & HARRISON

By



Thomas A. Welch

TAW:lp

APPENDIX A

Airlines Represented on
Airlines Policy Committee

Air California

Air Canada

Airlift International

American Airlines, Inc.

Braniff International Airways

China Airlines, Ltd.

Continental Air Lines, Inc.

CP Air

Delta Air Lines, Inc.

Flying Tiger Line, Inc.

Hughes Airwest

Japan Air Lines, Ltd.

National Airlines, Inc.

Northwest Orient Airlines, Inc.

Pacific Southwest Airlines

Pan American World Airways, Inc.

Philippine Air Lines

QANTAS Airways, Ltd.

Trans World Airlines

United Air Lines, Inc.

Western Airlines, Inc.

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MINUTES

SPECIAL MEETING

JANUARY 24, 1978

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

STATE OF CALIFORNIA

OFFICE OF THE ATTORNEY GENERAL



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SPECIAL MEETING OF THE
SAN FRANCISCO INTERNATIONAL
AIRPORTS COMMISSION

On The

ANNUAL OPERATING BUDGET
Fiscal Year 1978-79

Held at

San Francisco City Library
Louis Lurie Room
January 24, 1978 - 2:30 PM

Present: Commissioners Morris Bernstein,
William E. McDonnell and
William K. Coblentz.

Absent: Commissioner Ruth S. Kadish

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell,
the following resolution was adopted:

No. 78-0028

Resolution approving the proposed
Fiscal Year 1978-79 operating
budget for official filing with the
City Controller, in accordance with
Section 6.200 of the San Francisco
City Charter.

Mr. M. F. Bagan, Deputy Director, Operations and Maintenance, in the
absence of Mr. Richard Heath, Director of Airports, said suggestions
had been made for cuts in the budget as presented at the January 17
meeting. These were made and were submitted for review at the Airline
Policy Committee meeting. He asked Mr. J. Peter Singer, Deputy
Director, Business and Finance, to explain how, where and why the cuts
were made.

Mr. Singer stated that the budget as revised is \$58.3 million and
summarized the major changes which resulted from the staff review.

He understood that the Commission agreed to include two secretarial
support salaries in the City Attorney's Office. When the budget was
discussed with the Airlines Policy Committee on Thursday, there was
considerable discussion on this item. We are increasing the amount
as discussed with the Commission last week. It is the Director's
recommendation that the budget as revised be adopted.

Commissioner Coblentz understood the City Attorney asked for funds
to increase his office space. He asked if money is included to re-
model offices and library and was told that it was not. That amount
would be approximately \$200,000 for the library, equipment and re-
modeling. The \$3,870,599 in other department support includes five
attorneys and three secretaries at the Airport and two secretaries
in the City Attorney's Office.

Commissioner McDonnell asked specific questions concerning individual cuts made in various sections of the budget.

Mr. Singer, with the assistance of M. Callanan, Chief Accountant, gave detailed responses to each area and outlined the need for supplemental appropriations at a later date.

Mr. Singer said that regarding light, heat and power, there is an estimate that a 25% increase in rates will take place July 1, this year. When asked if there was any explanation, he said there was only a letter from Hetch-Hetchy.

Commissioner McDonnell then asked if the City Attorney's office has given us any legal opinion as to how the PUC can increase our rates by one letter.

Mr. Singer replied they have asked the attorneys to look into it but they have not yet had a chance to complete their research.

There are two increases of the electrical fees for the Airport, while there are 48% discounts for other city departments. There was an 85% increase in rates on power sold to the Airport for its own use by Hetch Hetchy. A third is an upcoming increase on all power for the year 1978-79.

Commissioner McDonnell said he would like someone to tell us in depth what is happening. He thinks there are court suits on it right now. When costs jump from \$3 million to \$8 million, I think if we have a successful case on it, within 4 years we are looking at a possible \$25 million refund from the City's general fund. He asked for an answer within a month as to exactly where we are, but also to list out every department of the City to find out how they will be handling each department of the City.

Mr. Singer said we have looked at nine other departments of the City. We found that at the time we lost our 48% discount, the discount to other departments went from 48% to 60%. Next year the other departments are anticipating a 69% discount.

Commissioner McDonnell suggested that we ask Oral Moore, Gen. Manager of Hetch Hetchy, to explain this at the next meeting.

Commissioner Coblentz said it seems the PUC is looking at the Airport as a source of revenue. They know we raise our own funds. Others are given a greater discount. There has been a substantial increase in the Airport costs and there has not been one for any others.

Mr. Singer said the Airport was notified about December 19th on the loss of discount and the 85% increase.

Commissioner Coblentz said we might have to go to court to resolve this with PUC.

Commissioner McDonnell said PUC is taking PG&E rates without having the backup in order to really justify this. The rate is over and above the PG&E rates for some comparable organizations.

Commissioner Coblentz asked if the rates are covered by the State PUC and was told they are not.

Commissioner McDonnell said we will be looking into this and we will have Mr. Moore here at the next meeting for a report.

Mr. Singer said the major amount of the reduction between the draft budget and this one is in Capital Improvement Projects. The remaining projects were discussed in detail.

Mr. Singer then discussed, in detail, cuts made in the equipment budget. He reminded the Commission that this budget of \$58 million does not include the expenses that are anticipated to be incurred in connection with the North Terminal nor with the 1978 Bond issue. He pointed out that in capitalizing the bond interest costs and with the present estimate of \$9 million to operate the North Terminal, the total budget would be in the area of \$72 million. He said most of the costs are fixed costs and will depend on the heat, light and power.

Commissioner Coblentz said assuming your estimate is correct that would mean increasing the landing fees to what sum. Mr. Singer said it would depend on certain alternatives as to the amount applied to space rental costs.

Commissioner McDonnell asked what were the Policy Committee's thoughts? Mr. Singer said they were given a series of alternatives and they will get back to the Commission at the February 7th meeting. In the meantime, we have a total so that if they have other ideas as to space cost we can enter their ideas into the model.

Commissioner McDonnell said in regard to New York, are their space costs comparable to ours? Mr. Singer said we did not check their space costs, only the landing fees.

Commissioner Bernstein asked how we compare in landing costs to other major airports. Mr. Singer read from a schedule: Atlanta 42¢; Chicago 74¢; Detroit 96¢; Dallas \$1.05; L.A. 50¢; Seattle \$1.30.

Commissioner McDonnell asked did LaGuardia come down and Mr. Singer answered saying his assumption is that in the case of any terminal, what happens is when the major expenses are paid off, you will see a reduction in landing fees. The model projects to 1983 and results in a lowering of expenses.

Mr. William Lauder, Co-chairman of the Airline Policy Committee, addressed the Commission and thanked them for giving the airlines an opportunity to come back and state their views on the budget. A copy of his remarks is attached to these minutes and incorporated herein by reference.

Commissioner McDonnell asked where the court suit stands on the rate increase. Mr. Lauder said he estimated the amount in question would be millions. He said full rates are being paid but the part being challenged is about \$5 million now. The Court will be requested to expedite.

Commissioner Coblentz stated that this Commission has no desire to gouge any tenants and expressed disappointment in the rates. We have an obligation to the citizens of San Francisco and we intend to take the job seriously. Some of this responsibility lies here and some with the Mayor's office and the Board of Supervisors.

A member of the audience, Mr. Russell Presting, asked who established the 23% operating expense for the garage.

Commissioner Bernstein informed him that the Commission approves the budget on which the Airport operates. Mr. Presting then asked if the Commission concluded that additional employees were needed to help people through the garage and he was told it would be necessary during construction.

Commissioner Coblentz asked if the budget had to be approved today and was told by Mr. Singer that any items which go into the Controller's office can be reduced and any items we wish to add can be done on a supplemental. Commissioner Coblentz then made the motion that the budget proposed as amended be approved, which was seconded by Commissioner McDonnell.

Chief Robert Barry, Airport Fire Department, commented on the deletion of sprinklers on Pier D. He asked if the Fire Department has been notified of the deletion.

Mr. Bagan said this work would be necessary only when we bring Pier D up to code. It is a judgment factor.

Commissioner McDonnell said we have a bond issue so that is where the money would come from for the Pier.

Mr. Bagan said it was a unanimous decision of the staff to delete it at this time.

Commissioner Bernstein asked if staff would be coming back with a priority list on the field projects.

Mr. Singer said these were brought up in the Policy Committee, in the model of the total revenues and expenses. One of the concerns is regarding accuracy of financial projections over 5 years in the future. There was not sufficient inventory of the total projects involved and this will be developed within the next two weeks.

Mr. Bagan said Mr. Heath has requested Mr. Lee to make a project program in book form and present it to the Commission.

There being no further calendared business before the Commission, the meeting was adjourned at 3:40 PM.

A handwritten signature in dark ink, reading "Warren D. Hanson". The signature is fluid and cursive, with the first name "Warren" and last name "Hanson" clearly legible.

Warren D. Hanson
Acting Secretary
Airports Commission.

SAN FRANCISCO INTERNATIONAL AIRPORT

S. F. AIRLINES POLICY COMMITTEE

1/24/78

COMMENTS ON PROPOSED SFIA BUDGET FOR 1978-1979

The Policy Committee appreciates the time afforded by the Airports Commission for airline review of the budget. We would also like to comment on the fine budgetary meeting we had with the Airport last Thursday, and particularly to commend the handling of the meeting by Dick Heath, Peter Singer, and Mary Callanan. Discussions were open, thorough, candid, and helpful -- the best ever in the opinion of most of the airline representatives present.

Insofar as the budget itself is concerned, Tom Welch, from the Brobeck firm representing the Airline Policy Committee, presented the airlines' legal position to you at your January 17, 1978 meeting. That position remains unchanged, is reaffirmed here, and Mr. Welch is available to answer questions if there are any.

Specific budget items upon which the airlines have comments are as follows: We agree with the items deleted between last week's Commission meeting and today.

Page 4

1978-1979 landed weights should be escalated by 6% over the 1977-78 estimate to 27,136,000 thousand pound units to reflect expected landed weight increases.

1978-1979 Revenue Budget Summary

1. Air Carrier Flight Operations Revenues should be increased to show 6% landed weight increase. \$650,000
2. Public Parking Revenues seem increased too little in view of the fact that the garage addition is planned for opening October 1, 1978.
3. Interest Income should be increased to include interest on Airport Revenue Fund -- estimate \$2,000,000.
4. Federal Grant income, hopefully, can be increased after Pete Singer's review.

1978-1979 Expense Budget Summary

1. Light, Heat, and Power: We encourage efforts to regain the discount for the Airport. We do not recognize this discriminatory increased increment of charge as a proper cost of operation of the Airport.
2. Capital Expenses - Additions and Reconstruction: Although the airlines favor the projects listed in Schedule E, they are opposed in principle to treating them as expense items to be funded out of current revenues. (Suggest they ought to be funded from interest on the G. O. Bond fund.)

Bond Interest and Redemption Schedule

1. Object to \$820,000 G. O. Bond Sinking Fund as unwarranted and not an obligation of carriers to fund in landing fee rate base.
2. Repayment to City of \$2,000,000: Since airlines are involuntarily ahead in these payments, suggest no payment in 1978-79 if an attempted landing fee increase would result.

Schedule A

1. City Attorney: Recommend 3-1/3 attorneys and 3 secretaries as at present until economics of airport location are known. \$119,000
2. Real Estate and Purchaser Personnel: Overstated by \$22,000.

In summary, we recommend the following budgetary measures to preclude the conflict likely to arise from an attempted landing fee increase on July 1, 1978.

I. Delete as expenses from the budget:

\$2,000,000	Payment to the General Fund
820,000	Payment to the G.O. Bond Sinking Fund
119,000	Increase Attorney's Office Staff
<u>22,000</u>	Real Estate and Purchaser Personnel

SUBTOTAL	\$2,961,000
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II. Increase as revenues in the budget:

\$ 650,000	In landing fee revenues for 6% weight increase
<u>2,000,000</u>	In interest on Airport Revenue Fund

SUBTOTAL	<u>2,650,000</u>
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TOTAL	<u><u>\$5,611,000</u></u>
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To the extent this \$5.6 million swing in the budget won't handle all expenses, the subject of a reasonable rental increase could be broached at an appropriate time.

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MINUTES

FEBRUARY 7, 1978

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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APR 1970

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Call to Order:

2:30 PM

Present:

Commissioners Morris Bernstein,
Ruth S. Kadish, William E.
McDonnell.

Absent:

Commissioner William K. Coblentz

The Minutes of the January 24, 1978, Special Airports Commission meeting were approved.

Director of Airports Richard Heath reported on electric rates. He invited Mr. Oral Moore, General Manager of Hetch Hetchy to answer any questions.

Mr. Moore stated he is trying to interpret what he believes is the attitude of the Public Utilities Commission and the Board of Supervisors. Last July, the PUC adopted a schedule of rates and charges which provided that sales of power at the Airport would be at PUC rates without discount. Since SFIA is an international Airport, the PUC felt that Hetch Hetchy should no longer underwrite the cost of power at SFIA and that SFIA should pay full rates. PUC adopted this last spring. The Board of Supervisors adopted this policy and it was effective in July 1977. Moore stated that the rate charges are reasonable in that they are identical to those charged to all other power consumers in the area. Airport still makes money from power which it resells to its tenants. He gave an example where the Airport earned \$427,000 on power sold to tenants. He said this more than compensates for capital returns and operating costs to the Airport and its electric distribution system.

When asked what happens to the profit from Hetch Hetchy power sales generally, he said that Hetch Hetchy as a Department of the City government cannot profit by the sale of power. Any excess funds generated go to subsidize other City departments or to the General Fund. In the past five years Hetch Hetchy has contributed \$8 million to the General Fund. Since 1969 Hetch Hetchy has operated the transit power Division of the Municipal Railway absorbing the expense of that operation and capital improvement. Hetch Hetchy power is sold at cost to those Departments of City government which serve only San Francisco. He said there is a need to optimize Hetch Hetchy revenues for the benefit of San Francisco.

Commissioner Bernstein asked if the Airport is paying more for its power than any other Department. Mr. Moore said yes and added with the rates presently in effect, the other departments pay only cost or about 40% of the prevailing power charges. Mr. Bernstein noted the Airport is 60% more than the other departments.

Commissioner McDonnell said we are moving from \$3 million a year to \$8 million in power costs.

Mr. Ted Chung of Hetch Hetchy said that in 1977-78 it was \$6½ million and that will be increased to \$8 million.

Mr. J. P. Singer, Deputy Director, Business/Finance, said in 1976 the cost was \$3.1 million; in 1977-78 \$2.9 million was approved as a rate increase in July 1977. We are now anticipating a budget for \$6.8 million.

Commissioner McDonnell asked if we had an increase of \$5 million and was told that we did. He then asked if that means the 60% discount would mean 60% off the \$8 million. He was then told the 60% would apply only to the power for the airport's own use.

When asked if the discount for the other departments increased because of the increased cost to the airport, Mr. Chung said it did not.

Commissioner Bernstein then stated he would like to know where we stand from a legal point of view.

Mr. McMorris Dow, Deputy City Attorney, stated he represents the City in the cases brought by the airlines. Should the City lose the cases, funds will come from Hetch Hetchy. He reserved comment on rates to the Airport until he has had time to study the matter.

Commissioner Kadish stated her understanding of the facts was that the 48.6% discount applied to the 20% of the power the airport used for its own purposes, not to all power, but that in July 1977, there was a rate increase that applied to all power. She asked about the Airport percentage as a City department. She also noted that the airport was referred to as a regional authority providing services to others than San Francisco. She asked how that is applicable to the 20% that is used by the Airport as a City department. Mr. Moore stated that since power rates in the area have climbed and San Francisco has a great need for revenue, it was decided that the airport should pay full rates.

Commissioner Kadish asked how the charges are divided between the power for airport use and the power used as a City Department; she asked how the charges to the Police or Muni are determined. She added that even though rates have gone up in the last several years, it is her understanding that hydroelectric power is the cheapest to produce. She was told that Hetch Hetchy cost of power has gone up and the increased value of power constitutes a benefit to the taxpayers of San Francisco, which explains the philosophy of the PUC.

Commissioner Kadish asked if the Airport has made it possible for the revenues of the City and County of San Francisco to increase by \$5 million, who receives the credit? Is that for Hetch Hetchy or does the airport get credit for providing additional funds of \$5 million?

Commissioner Kadish asked about the procedures for rates increases. She asked if they have to be approved by the Mayor, Board of Supervisors, the PUC and the Secretary of the Interior. She was told that the matter of whether or not that must be approved by the Secretary of the Interior is undecided. The San Francisco PUC was the body to establish the rates. California PUC has no jurisdiction covering only investor-owned utilities. The San Francisco PUC establishes rates which must be approved by the San Francisco Board of Supervisors.

Commissioner Kadish stated she is not aware when the rate increase appeared before the Board and she is not aware that we were informed so that we were involved in that portion. Mr. Moore said that the Airports Commission has been advised of every rate increase that affected them. The San Francisco PUC set the rates in June 1977 and removed the discount for power to the Airport.

Commissioner Bernstein said the rationale for the increase is that the San Francisco International Airport is an international facility, whereas other departments are municipal. He asked if it is true that some of the water charges are higher and some are lower. He was told there are discounts and that there are different charges. Sales of utilities in higher volumes get lower rates. Mr. Bernstein said if that is so, why can't we keep everything on the same basis.

Commissioner Kadish stated that the airport will be paying \$8 million for what other agencies would pay \$3 million and that constitutes a reduction in the tax rate.

Commissioner McDonnell said any departments outside City and County should not be given a discount. He asked if airline people wanted to ask questions. Mr. Bill Lawder of United Airlines said they are taking a look at the rates but would not make a statement now.

Commissioner Kadish stated that the 20% of the power which the airport uses in running a department of the City should be separated from the 90% used for resale. If that distinction is not made, it seems discriminatory in relation to a City department.

Commissioner McDonnell asked if this action was approved by the Board of Supervisors.

Commissioner Kadish asked Mr. Heath if he would evaluate this and determine whether there are sufficient legal questions involved for us to consider consulting outside legal counsel.

Mr. Heath said we would be putting the City Attorney in a difficult position because any opinion expressed would be in direct conflict with his own office. He reminded the Commission that rates are proposed by the staff to the PUC and asked to make a presentation to protest the different treatment the airport receives. He said the \$5 million profit to San Francisco is derived directly from the airport and it should be clear that should the airport cease operation, the city could lose \$5 million they would otherwise receive.

Commissioner Bernstein said it would be good to appear before the PUC.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0029

Resolution rejecting all bids for Contract No. 1151A and approving the consolidation of Contract Nos. 1151A and 1151B into a single contract No. 1151, International Holding Area - Rotunda A.

Mr. Heath said this is part of the provision to provide a holding room for international passengers. What we propose to do is to reject all bids and combine the contracts into one Contract No. 1151. He asked the Commission to approve the rejection.

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolutions were adopted:

No. 78-0044

Resolution supporting proposed charter amendment permitting sale of revenue bonds to re-finance existing revenue bonds.

-more-

No. 78-0043

Resolution of non-support of the proposed charter amendment to integrate Airport Police into the San Francisco Police Department.

Mr. Heath said these two proposed charter amendments are before the Board of Supervisors and that Mr. Singer will testify, giving the City's position. Mr. Heath brought out that the Airport police would like to await results of a pending litigation before taking action on the charter amendment.

Commissioner McDonnell asked who proposed the charter amendment and was told it was the Police Officers Association. McDonnell asked if this did pass would it make any change in the powers of the police at the airport.

Commissioner Bernstein said that is questionable. There was legislation which said that if the City and County owned an airport in another county, the Sheriff shall deputize the police as full peace officers or in the alternative give the airport permission to do so. He has granted only limited peace officer duties. The union of Airport police is hopeful they can get a writ of mandamus in the pending litigation. If they are successful, they would prefer remaining Airport police to becoming City police.

Mr. Heath said if the charter amendment is passed in June, it would increase our budget by \$2 million.

Commissioner McDonnell asked if they wanted action on this now.

Mr. Heath asked that it not be placed on the June ballot.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0030

Resolution approving final plans and specifications and authorizing bid call for Airport Contract No. 1151, International Holding Area - Rotunda A.

Mr. Heath pointed out the new holding area on the map and said this is a permanent area. He felt this should be considered in terms of a short-range facility if it will not be completed until mid-1982. The main costs would be for air conditioning units since the ones they have are not large enough. It would be possible to put in fans and use outside air, which might result in a savings of about \$35,000.

Commissioner Kadish said her concern is that the improvements would be destroyed and we would have nothing to show in the future for the money spent. If this will be amortized and provide services for passengers, the value is great and we should go ahead with it. The international airlines have reviewed the proposal as it stands.

Commissioner McDonnell asked about another type of air cleaning.

Mr. Robert Lee said that would just circulate the air and use carbon filters.

When Commissioner McDonnell asked what the cost would be without air conditioning, he was told about \$25,000.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0031

Resolution rejecting all bids for Airport Contract No. 1126 and authorizing Director of Airports to re-advertise for new bids on Airport Contract No. 1126R, Industrial Wastewater Collection System - Phase III.

Mr. Heath said some of the specifications were too strict, and that by changing some of them he feels we will get a better bid the next time.

Commissioner McDonnell asked if we have to pay the consultant and was told they drew up the plans, but it is their responsibility to do so again without any additional fee.

Mr. Lee said it would be mainly writing specs, and when asked who was the consultant he said Consoer & Townsend. He added the system would be equally acceptable.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolutions were adopted:

No. 78-0032

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 925-10 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 5 in the amount of \$4,283.76.

No. 78-0033

Resolution approving and requesting the Controller's certification of Debit Modification No. 20 to Airport Contract No. 950, in the total amount of \$10,564.00, which incorporates Bulletin 86, providing for necessary relocation of fire sprinkler lines in Connector where they interfere with United's Boeing baggage system.

No. 78-0034

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 32 thru 34 and 36 thru 41, and requesting the Controller's certification of Modification No. 17 to Airport Contract No. 1000, in the total amount of \$24,078.00.

-more-

No. 78-0035

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 42 thru 49 and 51 thru 57, and requesting the Controller's certification of Modification No. 18 to Airport Contract 1000, in the total amount of \$22,226.00.

No. 78-0036

Resolution approving and requesting the Controller's certification of Debit Modification No. 19 to Airport Contract No. 1000, in the total amount of \$33,530.00.

No. 78-0037

Resolution approving and requesting the Controller's certification of Debit Modification No. 20 to Airport Contract No. 1000, in the total amount of \$108,581.00, which provides for necessary revisions and modifications to the fire protection and alarm system to accomplish the original intended functions as requested by City.

Mr. Heath said the majority of these modifications to the Garage came about according to the information received as a result of the haste to get the garage contract bid and the ability of everyone to get in the equipment to be used. A decision was made that to hold up the garage contract would cost more than the modifications. The original cost was \$500,000 which has been reduced by some hard negotiations by CMC.

Commissioner Kadish said she is glad to know that CMC engages in these negotiations and it was pointed out by Mr. I. Grindheim of CMC that the Airport Architects deserved credit.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was approved:

No. 78-0038

Resolution accepting the work under Airport Contract No. 1040, Furnish and Install Chlorinator - Water Quality Control Plant, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 1 in the amount of \$206.00; extending the completion date from December 6, 1977 to January 24, 1978; and approving final payment in the amount of \$2,869.38 in favor of the contractor, McCrary Construction Company, P.O. Box 4120, Foster City, CA 94404.

Mr. Heath said this is an approval of the completion of contract; that it is just a design improvement, and that it was very close to the predicted cost. Also, there was a 49-day delay which was beyond the control of the contractor.

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolution was approved:

No. 78-0039

Resolution accepting the work under Airport Contract No. 1088, Differential Settlement Connection, Water Quality Control Plant, as satisfactorily completed; extending the completion date from December 31, 1977 to January 11, 1978; and approving final payment in the amount of \$1,487.32 in favor of the contractor, Dalzell Corporation, P.O. Box 8284, Emeryville, CA 94662.

Mr. Heath said this contract was completed as planned except for an 11-day delay due to rain.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was approved:

No. 78-0040

Resolution approving the final plans and specifications submitted by Chevron, U.S.A., showing the proposed construction of improvements to the storm water drainage facilities at their aviation fuel storage tank area at Plot 24 to bring the site into compliance with the conditions on Chevron's National Pollution Discharge Elimination System permit.

Mr. Heath said this work will be done by Chevron, U.S.A. at its own and sole expense for an estimated cost of \$60,000.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was approved:

No. 78-0041

Resolution approving the final plans and specifications submitted by Avis Rent-A-Car System, Inc., showing proposed modifications to their rental car service facility at Lot A to improve operational efficiency.

Mr. Heath stated this is another tenant improvement, the work of which will be done at the sole expense of Avis Rent-A-Car at an estimated cost of \$45,000.

Director's Reports

(A) Noise Control Regulation: (No. 78-0042)

Mr. Heath presented a revised noise control regulation. He reviewed the history of the hearing leading to the development of this regulation, and pointed out sections of particular interest and concern.

Commissioner McDonnell said he would rather not vote on it until the Policy Committee and the airlines have stated their positions.

Commissioner Kadish said the resolution is couched in terminology which is easy for everyone to understand.

Mr. Heath said on approval this will come back to the Commission for enactment.

(B) Airports Commission Policy for 1980's.

The Airports Commission's policy for the 1980's was discussed. Mr. Heath stated the whole process would take about 18 months and he would be checking with people around the airport on what measures should be taken to improve the airport.

Commissioner Kadish asked about the deadline of October 1979 and whether it is possible to have some of the broad policy statement developed and phased in, rather than coming in as a total package. Mr. Heath said that is his intention. Commissioner Kadish said it would get more careful attention if it is taken section by section.

Commissioner McDonnell said he would like to have more time to review this and take it up at the next public meeting. Mr. Heath said he will move his task forces into action.

(C) Correspondence.

Mr. Heath called attention to Mr. Staton's letter and to his letter to the FAA. He said he wants to make sure all this is in our files and the public hearing file.

Mr. Heath said a radar system will be installed at SFIA as an air collision warning system.

Commissioner McDonnell said he would like to be kept abreast of where we are regarding the Central, North and South Terminals, so that we will not get behind. He asked if staff would be hearing, from Mr. Freedman and that he would like a working session with staff prior to bringing that to the Commission meeting.

Commissioner Kadish requested a report on the status of the service representatives who have been added to the Airport and a second report on the Airporter Bus, which picks up within the city at other than the downtown terminal.

There being no further calendared business before the Commission, the meeting adjourned at 4:10 PM.



Warren D. Hanson
Acting Secretary
Airports Commission

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

FEBRUARY 21, 1978

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DOCUMENTS DEPT.
225 PIONEER LANE

GEORGE R. MOSCONE, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

RUTH S. KADISH

Vice-President

WILLIAM E. McDONNELL

WILLIAM K. COBLENTZ

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES OF THE AIRPORTS COMMISSION MEETING
Tuesday, February 21, 1978

1. Call to Order: 2:35 PM
2. Roll Call:
Present: Commissioners Morris Bernstein,
Ruth S. Kadish, William E.
McDonnell and William K. Coblentz
- Absent: None

3. Pledge of Allegiance

4. Approval of Minutes:

The Minutes of the Airports Commission meeting of January 17, 1978 were approved as amended.

5. Calendar Items:

- (1A) Airports Director Richard Heath introduced Mr. Craven to the meeting.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, a resolution was adopted, appointing Eric Craven as Secretary to the Airports Commission, effective Wednesday, February 22, 1978. (78-0045)

- (1) Supplemental Appropriation for Temporary Holding Facility Furniture, \$40,000

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0046

Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the total amount of \$40,000 to cover the cost of furniture for the temporary holding facility for arriving international passengers.

Mr. Heath said this item was a request for a supplemental appropriation for furniture for the holding area in the International Arrival Area, which had been approved at the last Commission meeting. This will provide furniture which can be used in the South Terminal and then moved to the new seating area when the new International Arrival section is built, so it will be of long-term benefit.

Commissioner Kadish asked if this was a budget figure, or would competitive bids be taken. Mr. Heath answered that the figure was estimated and bids would be taken.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolutions were adopted:

(2) Modification No. 32, Airport Contract No. 650C

No. 78-0047

Resolution approving and requesting the Controller's certification of debit Modification No. 32 to Airport Contract No. 650C, in the total amount of \$27,111.00, for providing sprinkler fire protection on the downstream air side of all installations of carbon filters.

(3) Modification No. 33, Airport Contract No. 650C

No. 78-0048

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 74, 107, 108, 110, 113 and 114 and requesting the Controller's certification of Modification No. 33 to Airport Contract No. 650C, in the total amount of \$24,773.00, for providing revisions to the clock system, structural supports for the glass draft curtains, installation of exterior exit stairs No. 1 thru No. 7, revisions to hardware schedule, identification tags for valves, and revision to plaster partition walls.

(4) Modification No. 6, Airport Contract No. 925

No. 77-0049

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 925-11 and No. 925-12 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 5 in the amount of \$3,732.65.

(5) Modification No. 1, Airport Contract No. 937R

No. 78-0050

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 937R-1 and No. 937R-2 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 1 in the amount of \$3,200.00.

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(6) Modification No. 21, Airport Contract No. 950

No. 78-0051

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 31 thru 33, and requesting the Controller's certification of Modification No. 21 to Airport Contract No. 950, in the total amount of \$24,657.23.

(7) Modification No. 22, Airport Contract No. 950

No. 78-0052

Resolution approving and requesting the Controller's certification of Modification No. 22 to Airport Contract No. 950, in the total amount of \$33,475.00.

(8) Modification No. 23, Airport Contract No. 950

No. 78-0053

Resolution approving and requesting the Controller's certification of Debit Modification No. 23 to Airport Contract 950, in the total amount of \$9,349.00, which provides for payment by United Airlines of one-half the cost of the third move-in of pile driver for United's loading bridge piles under Contract 950, and revisions to doors and hardware to meet United's intended use of tenant spaces.

(9) Modification No. 22, Airport Contract No. 1000

No. 78-0054

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 64, and requesting the Controller's certification of Modification No. 22 to Airport Contract 1000, in the total amount of \$21,376.00.

(10) Modification No. 2, Airport Contract No. 1015

No. 78-0055

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 4 thru 6, and requesting the Controller's certification of Modification No. 2 to Airport Contract 1015, in the total amount of \$10,682.76.

(11) Modification No. 3, Airport Contract No. 1015

No. 78-0056

Resolution approving and requesting the Controller's certification of Credit Modification No. 3 to Airport Contract 1015, Garage: Stage V - Final Modifications, in the total credit amount of \$25,082.

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Mr. Heath said the staff had reviewed all these items and recommended that they be passed. Commissioner McDonnell remarked that two of the items were credits, and Commissioner Kadish asked why there was not a credit in item six, as the plaster walls were deleted in the telephone rooms. Mr. Robert Lee, Deputy Director, Planning & Development, explained the item. Commissioner Kadish also commented on items two and seven, stating there were changes due to fire regulations and asked if the specifications did not indicate that all should be in conformity with the Fire Code. Mr. Lee said the responsibility for the changes will be assessed at the completion of the project. However, the Fire Code has been in existence for ten years, stating that if carbon filters were installed, the area must be sprinkled. Commissioner Kadish said if the specs stated everything must be in compliance, these matters would be taken care of.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following items were approved:

- (12) Settling and Compromising Claims Which Resulted in Payment Under \$2,500.00

No. 78-0057

Resolution approving the action of the Director of Airports in settling and compromising claims which resulted in payment under \$2,500.00

- (13) Settlement of Claim, Florence Shaw \$4,000.00

No. 78-0058

Resolution requesting the Controller to allot funds and to draw a warrant against such funds as are, or will be, legally available in payment of claim against the San Francisco International Airport.

- (14) Settlement of Claim, Leslie Morse \$11,000.00

No. 78-0059

Resolution requesting the Controller to allot funds and to draw a warrant against such funds as are, or will be, legally available in payment of claim against the San Francisco International Airport.

Mr. Heath said he had reviewed all three claims presented and found the settlements were reasonable.

- (15) Resolution Approving Two Subleases Between Airborne Freight Corp. and the U.S. Post Office

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following item was approved:

No. 78-0060

Resolution approving two subleases between Airborne Freight Corp. and the U.S. Post Office.

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Mr. Heath said that Airborne has the right to sublease, with Commission approval, and that Airborne Freight Corp. had entered into two subleases with U.S. Postal Service. Mr. Heath said the rental rates had been reviewed and were in line with fair market values, and approval was recommended.

Commissioner Kadish noted there were two companies involved, and asked if there was a policy in relation to leases and subleases relative to uses of Airport property. Mr. Heath replied that the general policy was that all subleases had to be approved by the Commission and asked Mr. J. Peter Singer, Deputy Director for Business & Finance, and Mr. Emmett Smith, Assistant Deputy Director, if the Airport had a policy that subleases should be related to Airport activity, or if such a policy should be developed. Mr. Singer replied that the Airport's arrangements with Airborne and other tenants permitted the option to sublease for purposes approved by the Airport. He explained that Hoffman Associates was a photography firm that the staff has called on to take pictures in and around the Airport. Foster is a building developer, but in a supplemental agreement in the Airborne lease, approved by the Commission, it was stated they could sublease to any commercial tenant, as long as not inconsistent with the purposes of the Airport.

Commissioner Kadish said this situation should be investigated, and there should be a policy stating definite purposes of subleases. Mr. Heath agreed that this should be in lease agreements and that a specific policy would be developed.

(16) Professional Services Agreement - Orrick, Herrington, Rowley and Sutcliffe

On motion of Commissioner Coblenz, seconded by Commissioner Kadish, the following resolution was adopted:

No. 78-0061

Resolution approving Modification No. 2, Professional Services Agreement - Orrick, Herrington, Rowley and Sutcliffe

Mr. Heath said this resolution continues the services of the Orrick, Herrington, Rowley & Sutcliffe firm as the bond counsel, in order to compensate them for the services they will perform in connection with the \$90 million bond issue. In addition to the normal bond counsel services, the firm will incur various printing costs. The estimated total charges as bond counsel for the Series B bonds will be \$20,000 maximum and \$50,000 for the Series A, due to more work involved. The total printing costs for Series A and B combined will be \$70,000, with \$30,000 plus spent on Series A, leaving \$39,713 available for the Series B bonds, the \$90 million sale in April.

Commissioner McDonnell asked if Mr. Richard Walker would be the principal responsible, and Mr. Heath replied he would be, and that Mr. Walker had attended all meetings held to date.

(17) Tenant Improvement: American Airlines, Superbay Hangar,
Fourth Floor Storage Area

On motion of Commissioner Kadish, seconded by Commissioner
Coblentz, the following item was approved:

No. 78-0062

Resolution approving the final plans and specifications submitted by American Airlines, showing the proposed construction of storage facilities at the fourth level of the core structure in the Superbay Hangar at Plot 40. The project consists of finishing a portion of presently unfinished space at the fourth floor level, installing a freight elevator in the core structure, and removing temporary storage facilities at the ground level.

Mr. Heath explained that American Airlines has planned extensive improvements to their Superbay Hangar, to complete a fourth floor storage area. All costs will be borne by American. The plans had been reviewed by staff, and approval was recommended.

Director's Reports

A. Modernization and Replacement Construction Program

Mr. Heath presented a memorandum to the Commission on this subject, copy of which is attached hereto and incorporated by reference.

Mr. Heath said he had failed to mention in the memo that, in the best interests of speed and efficiency for these new projects, there would not be a separate design consultant but each architect would be asked to design both interior and exterior of the projects. Mr. Heath said he would work with staff to ensure there is conformity and compatability in the projects.

Commissioner Kadish remarked that she hoped that the same conformity and compatability approach will be used in the art work, so it will be integrated into the building, rather than superimposed on it.

Commissioner McDonnell asked if it was planned to give the architects guidelines, so the projects will either be completely different or similar, such as for the furniture. Mr. Heath replied he thought there should be a degree of compatability, but also a degree of difference. However, the choice of furniture in some cases, in terms of cost and the range of manufactured items, will limit the architects, but within those parameters, he would hope to achieve aesthetic compatability, but not identical results.

B. Visitor Service Representative Program

Mr. Heath presented a memorandum to the Commission on this subject, copy of which is attached hereto and incorporated by reference.

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Commissioner Kadish stated this effort was commendable, but she was disturbed that the public was unaware of this service and asked if someone could come up with the magic words as to how the public can be informed that these services are available.

Mr. Heath said staff is planning a distinctive uniform. When this is determined, pictures will be taken, blown up to life-size and hung with a sign such as "If you have a problem, find one of these Visitor Service Representatives"; word-of-mouth will spread news of the service, and other means are being considered of getting this service known.

C. Airporter Coach Service

Mr. Heath asked Mr. Gordon Esposto, General Manager of the Airporter Bus Company, to respond to a previous Commission request for a report on the new bus system. Mr. Esposto said that on February 1, by permission of the State Public Utilities Commission and at the request of the hotels operating on Nob Hill, his company started an hourly service from those hotels to the Airport. The ridership has been favorable, and the hotel operators pleased. He further stated this was the beginning of efforts by Airporter to improve the ground transportation service at the Airport. Four 53-passenger buses are on order and will be in service prior to the summer rush, and no times are anticipated when Airporter will be unable to provide the service the public demands.

Commissioner Kadish asked why the hotels outside this area were not served, and Mr. Esposto replied his company was negotiating with them, and also with the Fisherman's Wharf area.

Mr. Esposto further stated that the Hilton Hotels have purchased the site of the Downtown Terminal and plan to have the Terminal remain, building around it. If the terminal does not stay there, however, Airporter is in a position to move to a nearby location.

Commissioner Coblentz asked who maintained the security in the Downtown Terminal, as he had received recent reports of assault. Mr. Esposto told him that Hilton hired a security force.

Commissioner Kadish said this was commendable, but the Airporter should pursue what can be done in the downtown area, as mass transit should be stressed. Mr. Esposto replied there were 12,000 hotel rooms within walking distance and all the hotels have porter service, with bellmen to bring the bags. Commissioner Kadish replied that many people do not know this, and she has been told that many people feel if they have to take a cab to the Terminal, they might as well go on to the Airport.

Mr. Michael Spain, taxi driver, asked to speak and asked Mr. Esposto if Airporter still had its interurban bus license, and Mr. Esposto replied it did, issued by the City and County of San Francisco, through the Police Commission.

Mr. Spain asked if, under that license, Airporter could pick up on Nob Hill; if there is no State license, could they still pick up? Mr. Esposto replied that without the State Public Utilities Commission license, they would be unable to use the highway system.

Mr. Spain said Airporter needs the permission of the Airports Commission to deposit passengers if operating under the City license, but asked if under the State license, Airport Commission's approval was needed. Mr. Esposto responded that the Commission's approval was needed also.

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Mr. Spain further remarked that there are about four different State and local bodies that license for transportation. Service to the Airport is very lucrative, many people want this business. He continued that Airporter was unable to expand its service due to the restrictions of its City license, mentioning that there are other areas such as the Marina and Twin Peaks which are restricted. Mr. Spain stated the City had enacted the laws restricting the size of buses under the Police Code.

Mr. Spain said two hotels on Nob Hill, Stanford Court and Mark Hopkins, are included in the Union Square area. He stated further that Larie's Travel Service also operates under a State license, which is broader than a City license, and is causing problems for the City

Commissioner Coblentz said while he was pleased with the Airporter and its extra service, there were problems requiring discussion regarding various modes of transportation.

Commissioner Coblentz continued that he was very appreciative of the Airporter operation, pleased with what they were doing and with extra service. He said that there were other exclusive contracts to bring people from the Airport to San Francisco, which was a matter of record, for Airporter chauffeur-driven limousines and SamTrans, as well as taxicabs. Commissioner Coblentz emphasized that he was most appreciative of the Airporter service.

Commissioner McDonnell asked Mr. Esposto where the stops were, if traffic congestion was caused, and how they were alerting guests to the service. Mr. Esposto responded there was direct service hourly from the hotels and the management was advising the guests. The buses leave the Airport every hour for the hotels, while buses to the Terminal run as often as every five minutes, if necessary. Buses to the hotels are held in the Airport North Court until departure time, and they stopped for only some five minutes to load in front of the terminals, thus caused no congestion. The service to the Downtown Terminal was separate from that to the hotels.

Other Business Before the Commission

Mr. Heath discussed the subject of ground transportation and mass transit. After having written a letter of congratulation on the expanded services to Mr. John Mauro, General Manager of SamTrans, they met for lunch. Mr. Mauro informed him that the schedules are set according to need and ridership is increasing. The Airport will be working more closely with SamTrans, encouraging employees of the Airport and of the airlines to use this service. Mr. Heath said he hoped to keep to the schedule of getting people to use mass transit and will utilize every possible means to achieve this, such as better signs for direction.

Mr. Heath reported on the Public Utilities Commission situation in regard to utility rates, saying he had appeared before that Commission at their last meeting. He had also sent a letter suggesting that the Airport should be treated like other City agencies in the billing process and be allowed the same discount. If not, the Airport contribution to the General Fund should be called to the attention of the public. The PUC agreed to the second request, but

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did not change the rates in its formal proceedings. Mr. Heath said a new utilities rate case decided earlier this month by a Federal judge in Sacramento held contrary to the Opinion of Judge Poole that Hetch Hetchy rates had to be approved by the Secretary of the Interior. The Sacramento case will be appealed also, and the two cases will probably be consolidated before the Ninth Circuit Court. It may be several years before a decision is reached. It had been previously suggested by a Commissioner that it would be appropriate for Mr. Heath to prepare a letter to the Mayor and to the Board of Supervisors, advising them of what would happen if the previous decision was overturned and suggesting that a trust fund be set up to hold the money paid.

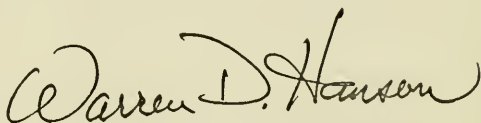
Commissioner Coblentz strongly recommended writing such a letter, stating the Airport would be blamed if the decision was reversed. Commissioner Kadish concurred, saying as citizens of the City, it was necessary to protect the City.

Commissioner Coblentz said, long before the present Commission came into being, he and Commissioner McDonnell had expected to have graphics and signs up, and asked where they were.

Mr. Heath replied there were a number of contracts out, and asked Mr. Lee for specifics. Mr. Lee said there were two contracts under construction: one for interior graphics for the North Terminal which were being fabricated in Los Angeles and would be in place when that terminal opens, and the exterior signs called for in the second contract were being made locally by Rosendin. All will be ready by September 1st.

Mr. Heath commended and thanked Mr. Warren Hanson for his services as Acting Secretary of the Commission for the past nine months.

There being no further business before the Commission, the meeting adjourned at 3:24 PM.

A handwritten signature in dark ink, reading "Warren D. Hanson". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Warren D. Hanson
Acting Secretary
Airports Commission

News from

SAN FRANCISCO INTERNATIONAL AIRPORT
415 / 761-0800



CONTACT: W.D. HANSON
(415) 876-2217
78-06

SAN FRANCISCO, CALIFORNIA 94128
P. O. BOX 8097

February 21, 1978

FOR IMMEDIATE RELEASE

Eric Craven, 36, San Francisco organization and management consultant, has been appointed Secretary to the Airports Commission effective February 22, 1978, Airports Director Richard R. Heath has announced.

Craven is the unanimous selection of the members of the Airports Commission.

Craven spent his formative years in New York City. He earned a degree in History at Cornell University where he was a member of the Student Government Executive Board and chaired the New York State Region of the National Student Association. He earned another BA at the University of California at Berkeley where he was elected to the Phi Beta Kappa Society. He is currently working on his MA in Public Administration at Golden Gate University and expects to graduate next January.

Director Heath pointed out that Craven brings to the Airports Commission strong managerial and organizational skills, which he developed through numerous business development and community oriented projects locally and for the U.S. Department of Labor.

Craven was last the Northern California representative for Jerry Hinch and Associates, a Los Angeles based public relations consulting firm, organizing and supervising their informational campaign on California Savings and Loan institutions.

Craven is married to the former Katherine Carroll, native San Franciscan. They reside at 1747 Sutter Street in San Francisco.

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AIRPORTS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
GEORGE R. MOSCONE, MAYOR

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128
(415) 761-0800



MORRIS BERNSTEIN
PRESIDENT

RUTH S. KADISH
VICE-PRESIDENT

WILLIAM E. McDONNELL
WILLIAM K. COBLENTZ

RICHARD R. HEATH
DIRECTOR OF AIRPORTS

MEMORANDUM

February 16, 1978

TO: MEMBERS, AIRPORTS COMMISSION
Hon. Morris Bernstein, President
Hon. Ruth S. Kadish, Vice President
Hon. William E. McDonnell
Hon. William K. Coblentz

FROM: Director of Airports

SUBJECT: Report on The Modernization and Replacement
Phase of the Construction Program

After consultation with Howard Friedman and Bob Lee and his staff, I have made the following determinations as to the conduct of the remaining portion of the construction program, the Modernization and Replacement Phase.

1. Staff responsibility will include master planning of all Airport property, programming of needs, both functional and architectural, review and approval of all work done by project architects, and primary liaison with Airport tenants and government agencies having jurisdiction and input affecting program and scope of work.
2. Project architects to be selected for the remaining construction jobs will be directly responsible to the staff for all aspects of assigned services.
3. In order to carry out the Commission's desire to bring some fresh architectural perspectives into the remainder of the Program, the remaining projects will be divided into four major projects, with a number of minor projects to be determined at a later date.

Package No. 1

The new pier between the North and Central Terminals, now designated Pier E; the new pier emanating from the center of the Central Terminal, the Y-shaped pier now designated Pier D; and the new pier between the Central Terminal and the South Terminal now designated Pier C, plus the four remaining connecting bridges to the Garage, constitute the first package and should be assigned to the San Francisco Airport Architects, subject to agreement on appropriate architectural fees.

Package No. 2

Modification of the Central Terminal and of the connector from Pier E to the Central Terminal, and Pier C to the Central Terminal, constitute package No. 2 and should be assigned to an architect to be selected.

Package No. 3

Modification of the International Terminal and Customs Terminal, including a new connector, constitute package three, and should be assigned to a second new architect.

Package No. 4

Modification of the center portion of the South Terminal, the adjacent connector to Pier C, and to the International Terminal should constitute a fourth package, with a decision as to the appropriate architect to be made at a later date.

These project packages were determined on the basis of expediency, efficiency and economy. It was my strong feeling that because of the new staff responsibilities, we will be going through a transition period and the time pressures require optimum ability to manage new architectural functions simultaneously. I, therefore, feel that the number of architects must be limited in order to insure a more efficient and effective use of staff, particularly during this transition period.

4. In order to allow the staff to concentrate their attention on the major construction projects at the Airport, it was agreed that some of

February 16, 1978

the in-house designing, planning and construction projects which would otherwise be performed by our own staff, would be farmed out to independent architects and engineers.

In a separate memorandum, Bob Lee will outline some projects that would fall into this category.

5. As you know, we have selected from the Bay Area architectural community those architects who are interested in performing work for the Airport. From this list, we have selected six architects as appropriate architects to be considered for packages 2 and 3 previously outlined. The procedure will be that Bob Lee and his staff will provide these six architects with an orientation session, describing the project packages and the requirements of Airport work, including all affirmative action and human relations requirements. Following this, we will ask each of the six architects to make a presentation to us focused on their capability of handling the projects involved. We would hope that some members of the Commission will be able to attend those presentations. Following the presentations, selection of architects for packages No. 2 and package No. 3 will be made, and the contracts completed, assuming agreement on appropriate fees.

The six architectural firms selected for final interview are:

Anshen & Allen
Gensler & Associates
Wong - Brocchini
Esherick, Homsey, Dodge & Davis
Marquis Associates
Robert B. Wong

6. We need to select a special energy consultant architect from among those firms having strong expertise in this area. This selection will occur as quickly as possible following essentially the same procedures outlined above. We are in the process of identifying three or four firms having substantial expertise in this area, following which presentations by selected firms will take place. The energy consultant architect will develop energy guidelines for design criteria, construction materials and details and will review preliminary plans of all project architects for energy effectiveness.

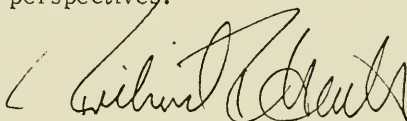
7. We are also considering selection of an architectural consultant to assist us in making decisions as to the people mover system, a highly specialized field.

TO: Members, Airports Commission

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February 16, 1978

This new procedure is designed to streamline management of the remaining construction program, to proceed with it as rapidly as possible in order to hold down construction costs while still giving us the benefit of new architectural perspectives.



RICHARD R. HEATH

February 21, 1978

M E M O R A N D U M

TO: AIRPORTS COMMISSION
Hon. Morris Bernstein, President
Hon. Ruth S. Kadish, Vice President
Hon. William E. McDonnell
Hon. William K. Coblentz

FROM: DIRECTOR OF AIRPORTS
Richard R. Heath

SUBJECT: Report on Visitor Service Representative Program

San Francisco International Airport has implemented a Passenger and Public Assistance Program through the Federal funding of the Comprehensive Employment Training Act (C.E.T.A.). The Airport has employed eight bilingual persons to assist visitors and passengers at San Francisco International. These Visitor Service Representatives (VSRs) patrol terminals and facilities, looking at the Airport through the eyes of the passenger or visitor. They assist the public in solving problems and investigating complaints of service or appearances. In the course of performing their duties numerous recommendations are made for improving existing situations. In monitoring all Airport services the VSRs look to see that the level and quality provided is up to Airport standards.

The VSRs are all bilingual, and the following languages are spoken: Cantonese, Filipino (Tagalog), French, German, Italian, Japanese, Mandarin, Portuguese, Spanish and Taiwanese. One VSR is fluent in four languages. This range of language capabilities is augmented by the bilingual capacities of many of our Airport Policemen and other employees. VSRs call on them as needed.

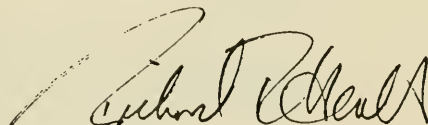
The Visitors Service Representatives are on duty from 7:00 a.m. to 11:00 p.m., seven days a week, and their assistance may be requested by contacting them directly or by calling the Airport Operations Supervisor on any white courtesy telephone (telephone number 6-2131).

February 21, 1978

Another important and valued passenger aid has been providing two information booths in the lower level of the Garage. These booths are manned by Airport Parking Management employees. The reaction of the public to this service has been extremely enthusiastic. Typical comments are: "It is nice to know somebody's using their head". "Boy am I glad you're here", to name just a few. Installation of a third booth has been approved.

These steps are the first phase of the program to humanize the Airport. Providing information and assistance through people rather than attempting to do it all through signs, computers and white telephones will help to make the Airport a less confusing and a more hospitable transportation facility.

We are now working with the Community College located at the Airport in designing a comprehensive airline industry training program, one aspect of which would be a stint of on-the-job training as an Airport Visitor Service Representative. What better way could there be to learn how an airport functions than spending six months assisting passengers with problems?



Richard R. Heath

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

MARCH 7, 1978

OCT 17 1978

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GEORGE R. MOSCONE, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

RUTH S. KADISH

Vice-President

WILLIAM E. McDONNELL

WILLIAM K. COBLENTZ

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES OF THE AIRPORTS COMMISSION,
March 7, 1978

1. Call to Order: 2:30 PM
2. Roll Call:
Present: Commissioners Morris Bernstein,
Ruth S. Kadish, William E.
McDonnell, William K. Coblentz.
- Absent: None

3. Pledge of Allegiance

4. Approval of Minutes:

The Minutes of the February 7, 1978, Airports Commission meeting were approved.

5. Calendar Items:

(1) Removed from the Calendar:

(2) Supplemental Appropriation, 1977 Airport Revenue Bond Fund, \$98,427.00.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was adopted:

No. 78-0063

Resolution approving Supplemental Appropriation providing for construction, architectural engineering, professional services, plans and specifications, inspection, supervision, and field engineering interest during construction and Revenue Bond Reserve funds in connection with the sale of Series B Airport Revenue Bonds.

Mr. Richard Heath, Director of Airports, requested Commission approval of this appropriation so that the money would be available for necessary expenditures.

(3) Supplemental 1978-79 Budget, \$176,459.00.

It was requested that this item be handled last so as to permit City Attorney George Agnost to be present. For discussion prior to Commission action, see 7. Following discussion, on motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was adopted with the additional proviso that no monies be expended until the Commission passed on those expenditures.

-more-

No. 78-0064

Resolution approving submission of a supplemental budget for the fiscal year 1978-79 to provide funds for renovation of office space, procurement of furniture and equipment for the City Attorney's staff assigned to the Airport, and for Airport share of insurance Risk Management functions to be centralized in the Office of the Chief, Administrative Offices.

On motion of Commissioner Coblenz, seconded by Commissioner McDonnell, the following resolutions were adopted:

(4) Modification No. 24, Airport Contract No. 950

No. 78-0065

Resolution approving and requesting the Controller's certification of Modification No. 24 to Airport Contract No. 950, Boarding Areas H & I and Connector, in the total amount of \$27,693.

(5) Modification No. 21, Airport Contract No. 1000

No. 78-0066

Resolution approving and requesting the Controller's certification of Debit Modification No. 21 to Airport Contract No. 1000, in the total amount of \$280,045.00.

(6) Modification No. 23, Airport Contract No. 1000

No. 78-0067

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 59, and requesting the Controller's certification of Modification No. 23 to Airport Contract No. 1000, in the total amount of \$12,227.00.

(7) Modification No. 24, Airport Contract No. 1000

No. 78-0068

Resolution approving and ratifying the action of the Director of Airports in approving Change Order Nos. 58, 60, 67 and 68, and requesting the Controller's certification of Modification No. 24 to Airport Contract 1000, in the total amount of \$24,962.00.

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(8) Modification No. 25, Airport Contract No. 1000

No. 78-0069

Resolution approving and ratifying the action of the Director of Airports in approving Change Order Nos. 61, 62, 63, 65 and 66, and requesting the Controller's certification of Modification No. 25 of Airport Contract 1000 in the total amount of \$14,091.00.

Mr. Heath said these are various modifications to the North Terminal and Garage contracts which are all fairly well explained. He said there is a history behind the largest one, Item No. 5, concerning the original plans to carpet these areas. It was discovered that carpeting was not such a good idea; so after the bid was let, a change was made and tile was used instead, which cost a good deal more. Commissioner McDonnell asked if this was specifically in the baggage claims area and was told that it was not, that it was around the elevator passages leading from the Garage. When Commissioner McDonnell asked if this is a different tile, Mr. Heath said it is, it is larger and of a different color; this is an earth tone, while the other was grey. It is presently installed in Core D in the Garage.

Commissioner Kadish asked two questions relating to the use of the rubber base: (1) Would the grout in the quarry tile floor shrink as it dried creating a concave area?; and (2) Would there be a resultant gap between the floor and the rubber base in which dirt could accumulate and be difficult to dislodge?

Len Blackford answered in the affirmative. Commissioner Kadish suggested that quarry tile cove base be substituted, not only from the point of view of aesthetics, but primarily because using it would eliminate what she saw as a maintenance and replacement problem developing. She said that coved quarry tile probably would be more expensive initially but in the long run it would be cheaper, more attractive, longer lasting and easier to maintain.

Commissioner McDonnell asked for further clarification of the types of materials being used. He wondered if we would get a better job using quarry tile.

Mr. Ron Wilson, Assistant Deputy Director for Maintenance, said use of a rubber base should be eliminated wherever possible.

Commissioner McDonnell asked what was the difference in dollar amount. Mr. Grindheim of CMC, stated that it was very little when you consider the area being covered. He added that if the modification is passed he would come back with the cost figures. Commissioner McDonnell asked Mr. Grindheim to bring back a large drawing so Commissioners can fully understand and relate to the areas involved. Mr. Grindheim said that he would.

Mr. Heath suggested that they look into a number of alternatives and come up with suggestions.

Mr. Grindheim said that the manufacturers are making the steel stairs to fit the tiles and that if we change the tiles, we create another problem.

Regarding Item 4 (Resolution No. 78-0065) Commissioner McDonnell asked why the smoke detectors included in Contract 650C were not included in the original Contract 950. Mr. Lee explained that they were omitted and that they should have been included in 950.

- (9) Airport Contract No. 1015, Substitution of Subcontractor, Garage: Stage V - Final Modifications.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was adopted:

No. 78-0070

Resolution approving the substitution of Klinger Steel Company as the reinforcing steel subcontractor for the subject contract in lieu of Pacific States Steel Corporation, the original subcontractor specified in the bid proposal.

Mr. Heath said the present corporation's subcontractor has been merged with another company and permission is being requested for a substitution of a new subcontractor. This will result in no change in cost to the City.

- (10) Modification of Additional Services, San Francisco Airport Architects.....\$107,550.00.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolution was adopted:

No. 78-0071

Resolution ratifying the action of the Director of Airports, acting in accordance with Airport Resolution 70-0044, to make various assignments to the San Francisco Airport Architects under the "Additional Services" section of their basic agreement with the City.

Mr. Heath said this is a periodic authorization for additional services not covered in regular contracts or for services assigned by Mr. Lee and his staff. Commissioner McDonnell asked about Item 1, Exhibit A; if United would pay for that item or would we. He was told that United would.

Commissioner Kadish noted that assignments have been made in groups of \$5,000 and she wondered if these could be made in smaller lumps. Mr. Heath replied that it could and that the procedure would be changed.

Commissioner McDonnell suggested that in addition to having smaller sums, they might be fewer in number, which would give the Commission a better idea of what is going on.

- (11) Tenant Improvement: United Airlines Maintenance Operations Center - Improvements to Compressed Air System.
- (12) Tenant Improvement: United Airlines Maintenance Center - Modifications to Storm Water Drainage System.

-more-

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolutions were adopted:

No. 78-0072

Resolution approving the final plans and specifications submitted by United Airlines, showing improvements to the compressed air system at Building 47 at the Maintenance Operations Center.

No. 78-0073

Resolution approving the final plans and specifications submitted by United Airlines, showing modifications to the storm water drainage system at the Maintenance Operations Center.

Mr. Heath said these are tenant improvements by United Airlines at no expense to the airport.

- (13) Approval of Plans and Specifications and Authorization for Bid Call, Airport Contract No. 650D, North Terminal Interior Design Elements.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was adopted:

No. 78-0074

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Contract 650D, North Terminal Interior Design Elements.

Mr. Heath said that the airport is asking for authorization to go out to bid on the interior design of the North Terminal. The specs have been drawn up and approved by staff.

Commissioner Coblentz asked what aesthetic values are included in these specifications. Mr. Heath asked Mr. Laity to reply, who said the basic design drawings have been completed and reminded the Commission that they had seen the drawings.

Commissioner McDonnell requested the drawings be brought back to refresh their memories. He said this particular bid is for installation of phone equipment. He asked if the telephone company would be responsible for building the booths. Mr. Lee answered that they would, but that these are not the standard telephone booths. Commissioner McDonnell then wondered what portion of the costs the telephone company would pay.

Director's Reports

A. Selection of Architects

Commissioner Coblentz commended the airport staff and the Commission in the way that it had selected the architects to do the work in the North Terminal. Mr. Heath said he believes we will get some very interesting work.

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B. Hetch-Hetchy Power Rates

Mr. Heath told the Commission that pursuant to the direction of the Commission at the last meeting, he had written the Board of Supervisors requesting that they establish a trust fund with the revenues it will gain from its recent rate increases.

C. Mexicana Airways

Mr. Heath said Mexicana Airways has been given nonstop route rights to San Francisco. Mexicana plans to commence service between San Francisco and Acapulco on June 1. Western Airlines will also be entering service on this route but is giving preference to Mexicana Airways and will defer starting service for 18 months.

D. State Senate Bill 746

Mr. Heath said that there are problems with some limousine drivers who are unregulated, uncouth and discourteous. Since they are licensed by the California PUC, it takes a long time before a license can be revoked. Senate Bill 746 would give the Airport power to screen and license these limousines so that some of these problems could be cleaned up. There is a hearing in Sacramento before the Finance, Insurance and Commerce Committee and Mr. Heath will be going to testify. Additionally, the City Police Department will be testifying.

E. Retirements

Three custodians are retiring and Mr. Heath requested Commission approval to present them each with resolutions. This was unanimously approved by the Commission.

Continuation of Discussion of Calendar Item (3), Supplemental 1978-79 Budget, \$176,459.00.

Mr. Heath said we need to approve this today for inclusion in the budget. Commissioner Kadish suggested that they pass the resolution with the hope that they could discuss the specific items at a later time.

Mr. Singer, Deputy Director, Business/Finance, said this request is for an addition to the budget and is being requested so that we can have the money available in June. We need to make space available to the attorneys as rapidly as possible. Commissioner Kadish said that regarding items other than the number of desks, she thought discussion was appropriate at this time. Specifically, she wanted to discuss the word processing system which would cost \$35,000. She wanted some information as to whether another type of "typewriter" is available. Hospitals and other businesses use some type of pooling in order to cut down on materials and equipment. There should be an assessment as to whether there is a need for such expensive equipment.

Commissioner Coblenz questioned the need for such a machine in a five-attorney office.

Mr. Singer said that assuming there is a reasonable need, it has been indicated that there are a number of additional uses to which the machine might be put.

Commissioner Kadish asked if the machine is being justified on the basis of possible uses to which it might be adapted.

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Commissioner Coblentz asked for an explanation of Publications and Services.

Mr. Kroopnick, Acting Airports General Counsel, stated that some of the monies are necessary to establish a library and purchase various other printed items necessary to conduct an entire legal operation at the airport.

Commissioner Coblentz asked for a list of their needs.

Mr. Singer suggested we go ahead and include the item in the budget. He further suggested that the Commission proceed with the \$103,000 budget request, and at the time purchase requests for specific items were submitted, the Commission could make a decision.

Regarding the risk management portion of the item, Mr. Heath said that the City had lost its insurance coverage. The CAO has called in an outside consultant to find out how large industries operate. It has been suggested that a risk management office may be the solution. They are asking for a budget contribution from each department and we have been assessed \$12,950.

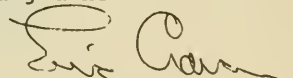
Commissioner McDonnell requested the whole risk management budget. Mr. Heath said that he has received a letter from the Port Commission indicating that they can get a better price negotiating alone. He said that he has asked his staff to compare notes with the Port. We could do it on our own or join the City's risk pool. He suggested that the Commission pass the appropriation with the promise that no money should be expended until a final determination is made.

Commissioner Coblentz said we do not know how the CAO arrived at the figure of \$12,950.00 for the Airport's share.

Commissioner McDonnell said that the Commission should have a breakdown from the CAO's office. He then asked how we are now insured.

Mr. Emmett Smith, Assistant Deputy Director, Business and Finance, stated that we secure our insurance through the Purchaser's office at various premiums. The total premiums cost about \$136,000 a year. On liability insurance, we have a \$100,000 deductible policy.

There being no further business, the meeting was adjourned at 3:25 PM.


Eric Craven
Secretary
Airports Commission

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

MARCH 21, 1978

OCT 17 1978

DOCUMENTS DEPT.

GEORGE R. MOSCONE, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President

RUTH S. KADISH
Vice-President

WILLIAM E. McDONNELL
WILLIAM K. COBLENTZ

RICHARD R. HEATH
Director of Airports

San Francisco International Airport
San Francisco, California 94128

MINUTES OF THE AIRPORTS COMMISSION MEETING
Tuesday, March 21, 1978

Call to Order: 2:30 p.m.

Roll Call Present: Commissioners Morris Bernstein,
Ruth S. Kadish, William K.
Coblentz

Absent: Commissioner William E. McDonnell

Pledge of Allegiance

Minutes: None

Calendar Items

(1) Removed from Calendar

(2) Bid Call for Airport Contract No. 980, Furnish and Install
Carpeting, North Terminal complex.

On motion of Commissioner Kadish, seconded by Commissioner
Coblentz, the following resolution was adopted unanimously:

No. 78-0078	Resolution approving the plans and specifications and authorizing the Director of Airports to call for bids for Contract No. 980, furnish and install carpeting, North Terminal complex
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Mr. Richard Heath, Director of Airports, said that this resolution approves the plans and specifications and authorizes a bid call for Airport Contract No. 980. He said that carpet samples were submitted from seven carpet manufacturers, which went through extensive testing; four carpets met all standards and are available for consideration. Mr. Heath said that last week we thought there would be only three carpets for consideration because one of the manufacturers would not post a performance bond as our asking for bond was a "first" in the industry. He said that when this manufacturer discovered that the other manufacturers had posted bond, this last manufacturer agreed that he would, too, and congratulated us on thinking of the bond. Mr. Heath explained that the manufacturers assume it will become standard in the industry.

Mr. Heath added that he had had long discussions as to whether this carpet should be purchased or leased. Mr. Singer, Deputy Director, Business/Finance, gave an analysis and recommendation on purchase versus lease. It is the staff's recommendation, he said, that we purchase the carpet, although if the interest we will have to pay on the bond is higher than expected, leasing might be more attractive.

(3) Bid Call, Airport Contract No. 1150, Fuel Oil Supply Line
to South Terminal Boiler Plant.

On motion of Commissioner Coblentz, seconded by Commissioner
Kadish, the following resolution was adopted unanimously:

No. 78-0079	Resolution approving the final plans and specifications and authorizing bid call for Contract No. 1150, fuel oil supply line to South Terminal boiler plant
-------------	--

Mr. Heath mentioned that we will have to continue to operate the South Terminal Building boiler plant for a number of years on fuel oil. He said that we are asking to go out to

bid to build a supply line at an estimated cost of \$70,000.00.

* * *

- (4) Resolution Authorizing Professional Services Agreement, Gayner Engineers, Inc.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was adopted unanimously:

No. 78-0080	Resolution authorizing professional services agreement with Gayner Engineers, Inc., for a cost not to exceed \$50,000
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This resolution, Mr. Heath explained, provides for the services of Gayner Engineers to create a special operations manual for all equipment used in the Central power plant. He said that this manual would be in plain English and would enable almost anyone to operate the very complex power plant in an emergency. The estimated total cost is \$50,000.

* * *

- (5) Award of Airport Contract No. 1125, Sludge Beds at Water Quality Control Plant; \$246,886.65.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was adopted unanimously:

No. 78-0081	Resolution awarding Contract No. 1125, sludge beds at water quality control plant to E. Mitchell, Inc., 993 Tennessee Street, San Francisco, California 94107, in the total amount of \$246,886.65
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Mr. Heath said that ten bids had been received on this contract and E. Mitchell, Inc. submitted the lowest bid.

* * *

- (6) Award of Airport Contract No. 1151, International Holding Area, Rotunda A; \$144,988.00.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was adopted unanimously:

No. 78-0082	Resolution awarding Airport Contract No. 1151, international holding area, Rotunda A, to All American Construction Company, 1229 Sobre Vista Road, Sonoma, California 95476, in the total amount of \$144,988.00 on the base bid only and rejecting all other bids and alternate "A."
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Mr. Heath commented that the alternate on this contract was to provide additional heating to the holding area. But it was determined that heating was not necessary so that option would not be considered.

Commissioner Kadish was pleased to have heating removed from the contract. She noted that the contractor is in Sonoma and wondered if the distance would affect their operating efficiency.

Mr. Robert Lee, Planning/Engineering, assured her that the company would hire crafts from San Mateo and San Francisco and, at any rate, the company has a performance bond.

* * *

- (7) Airport Contract No. 936, Industrial Waste Treatment Plant, Preliminary Plans and Specification; \$3,000,000.00.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was adopted unanimously:

No. 78-0083	Resolution approving the preliminary plans and specifications for Contract No. 936 for the Airport industrial waste treatment plant, which is to be constructed on the site immediately north of the sewage treatment plant
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Mr. Heath said this resolution approves the preliminary plans and specifications. Mr. Lee had some drawings of the plant which he presented to the Commission. He said the Commission approved the waste treatment process a year ago, but that there was some question as to which chemical would be used. That has been decided upon and the final plans will be submitted by the end of the month. It is hoped that the contract can be let by the first of May.

Mr. Jan Blais of United Airlines commented on behalf of his company. He said that United wanted a different waste treatment process to be selected, and he informed the Commission that the controversy between his airline engineers and the Airport architects continues. He mentioned that a meeting has been set up for representatives of his office to meet with Mr. Lee so that they can explore further whether there is a way to insure that the waste treatment plant will work.

* * *

- (8) Airport Contract No. 1015, Substitution of Subcontractor, Garage: Stage V, Final Modifications.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was adopted unanimously:

No. 78-0084	Resolution approving the Substitution of Cal Tile Company as the tile subcontractor for the subject contract in lieu of Durable Tile Company, the original subcontractor specified in the bid proposal
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Since the original subcontractor could not reach an agreement with the contractor, Mr. Heath explained that the original subcontractor has requested release from his contract. Another subcontractor has been selected, and we are requesting Commission approval of them.

* * *

- (9) Completion of Airport Contract No. 1123, Improvements to Apron Lighting, Pier F; \$6,444.00.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was adopted unanimously:

No. 78-0085 Resolution accepting the work under Airport Contract No. 1123, improvements to Apron Lighting, Pier F, as satisfactorily completed; and approving final payment in the amount of \$6,444.00 in favor of the contractor, Delta Star Electric Company, Inc., 2662 Fair Oaks Avenue, Redwood City, California 94063

Mr. Heath said this contract has been completed on time and at the original dollar estimate.

* * *

- (10) Modification No. 25, Airport Contract No. 950, Ratifying Action of the Director of Airports on Change Orders, Boarding Areas H and I and Connectors; \$17,710.00.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was adopted unanimously:

No. 78-0086 Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 34 through 37 and requesting the Controller's certification of Modification No. 25 to Airport Contract No. 950, in the total amount of \$17,710.00

Mr. Heath commented that these are a series of change orders he had already approved. Regarding Change Order 36, Item 2, Commissioner Kadish asked if the braille symbols currently in the elevators would be installed in other parts of the Airport. Mr. Ron Wilson, Acting Deputy Director, Operations/Maintenance, said that all future installations will have the braille symbols.

* * *

- (11) Supplemental Appropriation; \$4,104,085.00.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was unanimously adopted:

No. 78-0087 Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the total amount of \$4,104,085 to cover the increased costs of light, heat and power, overtime and holiday pay, materials and supplies, facilities maintenance, fire and auto insurance and improvements to terminal and parking facilities, and services to other departments (City Attorney).

The largest costs covered here, Mr. Heath said, would be the light, heat and power. He requested Commission approval.

* * *

- (12) Modification No. 3, Professional Service Agreement, Hogan and Hartson; \$18,000.00.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was adopted unanimously:

No. 78-0088

Resolution authorizing increase of \$18,000 in amount payable under this agreement for fees and expense reimbursements

Mr. Heath stated the need for the increase in the contract results from the fact that since changes in CAB proceedings have made it easier to start action than in the past, there has been more use of the Airport's Washington, D. C. counsel. In a year or so, the level of legal action will decrease if the proposed regulatory reform goes through.

Commissioner Bernstein asked if this is based on a regular hourly rate. Mr. Heath replied that Hogan and Hartson bills us on the basis of work done. Commissioner Kadish stated that last year it was her understanding that Hogan and Hartson did not use all the money authorized. Mr. Heath said that this was true and that the money was refunded to us.

* * *

- (13) Modification No. 6, SFO Shuttle Bus.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was adopted unanimously:

No. 78-0089

Resolution providing for increasing the hourly bus rates paid to contractor due to increase in wages and fringe benefits for SFO Shuttle Bus employees

Mr. Heath said that this is a request for an increase in the money paid to the Shuttle Bus operator due to higher wages and operations costs.

Commissioner Kadish said she had received complaints regarding the Shuttle Bus service and mentioned that she would like to have a complete report on the bus services, its operating procedure, financial picture, number of passengers, etc.

Commissioner Bernstein asked whether the \$15.83 was the wage paid drivers. Mr. Singer, Deputy Director, Business/Finance, said that amount is determined by a formula which includes drivers' salaries as well as the cost of the service, fringe benefits, depreciation, etc.

- (14) Miami - Los Angeles Low-fare Case CAB Docket No. 31976 (Expanded Proceeding to Include Oakland and Tampa).

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was adopted unanimously:

No. 78-0090

Resolution authorizing Director of Airports to take all necessary action in having CAB Order No. 78-3-2, dated March 1, 1978, expanding the scope of the proceeding to include Oakland and Tampa, reconsidered to include San Francisco and the entire Bay Area market

Mr. Heath said that this proceeding was brought to our attention through our Washington, D. C. attorneys because World Airways has decided to expand its service. We feel that this kind of expanded service should be considered for all Bay Area airports, and this resolution endorses the action our Washington counsel has been instructed to take.

Mr. David Lilly, representing San Francisco Tomorrow, said that the Airport should not encourage growth. He explained that his group feels Oakland should offer some service that San Francisco does not. He said that San Francisco Tomorrow opposes this resolution.

Commissioner Coblenz said that he did appreciate Mr. Lilly's position, but that it seems that since Oakland is trying to offer a lower fare, we should be joining in so that people in the West Bay would not be at a disadvantage.

Commissioner Kadish said that while she appreciate Mr. Lilly's position, she did not feel that the Commission should take a position that would be to the disadvantage of San Francisco residents.

Director's Report

A. No-smoking Area in the Airport

Mr. Heath said that there is an initiative going on the state-wide ballot and that we should begin designating certain areas as non-smoking areas. He mentioned that after a trial-and-error period we will be in a better position to decide on permanent locations and that at that time we will come back to the Commission with specific regulations. Mr. Heath said that we have authority to do this whether or not the initiative passes. He confirmed that no Commission action is required at this point and that signs have already been posted in the elevators and seem to be working well.

B. Noise Regulations

Mr. Heath said that he felt the public hearings were constructive and worthwhile. As a result of those hearings, we have made a number of changes, one of which was suggested by Mr. Lilly. Mr. Heath said that he proposes to allow another month for the airlines, the public in general, the FAA, the Air Transport Association and others to submit written comments. The regulation would then, he explained, be brought before the Commission at its second meeting of April.

Mr. Heath said we will be sending copies of the noise hearings to all the people who expressed an interest and were in attendance.

C. ADAP-9 Grant Procedure

We are faced with a March 31st deadline, Mr. Heath said, on getting the application approved and that if our application is in by March 31st there is the possibility of some discretionary funding. Mr. Heath said that the grant application program has been approved by the Commission already and he asked for informal approval from the Commission. He mentioned that documents will be submitted at the next Commission meeting. Mr. Heath said that this is an agreement which is signed by the Director, but does need an official resolution approving it.

Commissioner Kadish asked which projects are covered in this application. Mr. Heath replied that it is the reconstructing and releveling of runway 1R and will cost roughly about \$4 million.


D. Telephone Enclosures and Partition Design in the North Terminal

A presentation of renderings and slides was given by Len Blackford of Airport Architects. Payment for these items was approved at the last meeting.

E. Retirements

Commission approval of two retirement resolutions was requested. The Commission granted their approval (Resolution Nos. 78-0091 and 78-0092).

There being no further items, the meeting adjourned at 3:20 p.m.


Eric Craven
Secretary
Airports Commission

A45
#2

4/4/78

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

APRIL 4, 1978

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GEORGE R. MOSCONE, MAYOR

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WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

April 4, 1978

Call to Order: 2:30 p.m.

Roll Call:

Present: Commissioners Morris Bernstein
Ruth S. Kadish, William E.
McDonnell

Absent: Commissioner William K. Coblentz

Pledge of Allegiance

Approval of Minutes:

The Minutes of the March 7, 1978, Airports Commission meeting were approved.

Calendar Items:

- (1) Second Supplemental Resolution Authorizing the Issuance of \$90,000,000.00 Principal Amount, SFIA, Airport Revenue Bonds, Series B.
- (2) Resolution Approving Notice of Sale and Official Statement Relative to Airport Revenue Bonds, Series B, \$90,000,000.00

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolutions were unanimously adopted:

No. 78-0093 Resolution authorizing the issuance of \$90,000,000.00 Principal Amount of SFIA Airport Revenue Bonds, Series B.

No. 78-0094 Resolution approving Notice of Sale and Official Statement Relative to Airport Revenue Bonds, Series B, \$90,000,000.00

Mr. Heath, Director of Airports, suggested that Items 1 and 2 should be discussed together and asked Mr. Peter Singer to give information regarding the resolutions and bond sales.

Mr. Peter Singer, Deputy Director, Business/Finance, said Agenda Item 1 is the resolution dealing with the issuance of the Series B bonds. He noted that we have set an absolute maximum net interest cost at 9% although we do not anticipate a cost of 9%. He added that Agenda Item 2 is the draft of the proposed official statement and traffic and earnings report prepared by John Brown Company.

Mr. David Lilly spoke on behalf of San Francisco Tomorrow who indicated that he had sent a letter asking that the Commission reconsider the authorization of the \$90 million bond issue. He proposed that the official statement be put over until the next Commission meeting because (1) it is lengthy and (2) was just made available to him yesterday and that he has not had the opportunity to examine it thoroughly. He said that it is an important document in terms of the prospective liability of the

Airport and the City and County of San Francisco. He said that the public should be given the opportunity to review it and to comment on it. He said that since bond specialists and attorneys have given their views, he and the people he represents should be given time to submit their opinion. Mr. Lilly said that there is no pressing need to approve the document today and the potential liability is great.

Commissioner Kadish asked what the time schedule is regarding the matter.

Mr. Singer stated that the financial community has been notified of the scheduled sale date of May 2 and that we are scheduled to meet with the bond rating agency next week. He said that there are a number of items on which construction has to be begun, particularly the wastewater reclamation plant. He said that we have to let the construction contract on the wastewater plant no later than July 1 or risk a penalty for violation of the EPA's deadline. Mr. Singer said that the May 2 date would provide us with the funds on June 2 and that would enable the Airport to let the construction contract on the wastewater facility prior to July 1.

Commissioner Kadish then asked Mr. Lilly what portions of the document he found questionable. Mr. Lilly said that there may be differences in revenue projections and the projected take-offs and landings. He said that his objection is to the timeliness in which this report was made available, since it was made available only the day before.

Mr. Lilly asked whether the airline operators' objections to the Airport fees being deposited in the General Fund is covered in the document.

Mr. Singer referred to a series of meetings including one that morning with the Airline Policy Committee and indicated that copies of the various drafts were available to them. He said that the official statement incorporates language requested by the airlines. Additionally, Mr. Singer said that a draft was made available to Mr. Lilly as a special favor since it is still not an official document.

Mr. Heath said that the Commission is not required to hold public hearings on the bond resolution; the public had its right to express itself on the bond issue in November. He pointed out that with construction inflation running at 12% a year, a one month delay could theoretically cost \$900,000. Mr. Heath said that we are not issuing this document without due consideration; very great amounts of work have gone into assuring an accurate statement. He said that there are some differences between this Statement and that relating to the 1975 bond issue. He stated that projections are predictions of what will happen in the future and further indicated that the SEC had expanded its disclosure requirements.

Mr. Lilly then asked when the statement was made available to the airlines and was told that a draft was made available last Thursday. He asked if that draft was different from the current draft and was told that it was. Mr. Lilly said that the same procedures that were applied to the airlines should have been applied to the public. He said that he was asking the opportunity to examine the facts and that by having it at this late date, he was not in a position to make a responsible reply.

Commissioner McDonnell had a number of questions about the statements in the draft document. Mr. Warren D. Hanson, Public Relations Officer, was asked to respond to the phrase regarding the Aviation Committee of the Board of Supervisors. Mr. Hanson explained that there was such a committee during the formative years of San Francisco International Airport, and described its function.

Commissioner McDonnell asked about the \$10.4 million capitalized interest noted on Galley 6, line 9. Mr. Singer replied that the Airport developed model financial plans showing two alternatives: one in which interest is capitalized and one in which interest is not capitalized. He said that the airlines said that they would prefer the former approach in which debt service costs start at about the same time as the modernization of the facilities is completed.

Commissioner McDonnell said that regarding Galley 10, line 30, which reads "The Commission has no immediate plans for future bond issues...", it should say that we are looking into other financing, but we should not lock in some future Commission, so that there would be no chance to change things.

Mr. Singer referred, also, to draft p. A-20, lines 29-35 and said that due to full disclosure requirements, we were obliged to identify potential sources of funds or the Commission's current thinking with respect to the financing of the balance of the program. He said that it is his understanding that the Commission has no plans at this time for future bond issues but this statement does not preclude the present Commission from having such a plan at a later date nor does this statement constrain a future Commission. He said that we have to inform the public how the Modernization and Replacement phase of the program would be financed; the 1975 Official Statement indicated that the \$143 million was the first in a series of bond issues that would carry the program to completion; if now there are no further plans for revenue bonds then the present Official Statement should reflect that situation.

Commissioner Kadish said that she does not see how any present Commission can bind any future Commission.

Mr. Heath said there are basically two ways of financing an airport: (1) issuance of public bonds, and (2) current revenues. He said that the reason for the language is to fulfill full disclosure requirements.

Commissioner McDonnell asked what is the feeling of the airlines on this wording, and was told that they have suggested a change in the language. Mr. Singer said that representatives of various airlines served by the airport believe that they have a commitment regarding landing fees and that the airport will use long term financing through issuance of additional revenue bonds. He said that appropriate language describing the airlines' position has been incorporated into the draft.

Mr. Jan Blais of United Air Lines said that the concern of the Commission is shared by the airlines. He said that the airlines recognize that circumstances in San Francisco may be such that immediate issuance of bonds may be impractical.

Mr. Heath said that if the Commission's present intention is not to finance future programs through bonds, then that statement must go in the bond statement. He said that he can appreciate the airlines' feelings that the Modernization and Replacement Phase projects should not be funded out of current revenues and he noted that, as Commissioner Kadish pointed out, this Commission cannot make decisions which are binding on future Commissions.

Commissioner McDonnell asked Mr. Happeny of Salomon Brothers if he agreed on the necessity for disclosing the present lack of intention to issue another series of bonds. Mr. Happeny felt that this intent or lack thereof should be stated. Mr. Happeny said that what we are trying to do is paint a true picture of this moment in time; also, we should point out that, in the event that the Airport is not able to complete the program, it will not affect either the present bondholders or the purchasers of the Series B issue.

Commissioner McDonnell said that the only problem is the possibility of having new Commissioners on board. He felt that the words that should be used should be something like "as the present Commission" or the "present intent of the current Commission".

Commissioner Kadish suggested that the wording be changed to read "the present Commission has no immediate plans..."

Mr. Singer said that changes would be made in the wording on page A-20 to bring it in to conformance with the Commissioners' wishes.

Commissioner McDonnell commented on Galley 28, line 34, regarding the "Airport Contingencies Reserve Fund"; he said that there should be an ability to remove the contingency at the time of re-financing.

Commissioner McDonnell then asked about the section titled "Tax Limitation Initiative and Related Legislation" (Galley pps. 32-3) relating to the Jarvis-Gann Initiative and Behr Act. He wondered if there was a requirement for full disclosure on state-related matters. Mr. Singer said that there is no direct mandate to do that, but it was felt that since the Airport is located in California, the measures and the lack of their direct impact should be described in the disclosure statement.

Commissioner McDonnell asked about the 'Estimated Cost' items on Galley 10, lines 39-42: he asked if these items were what was being covered by the current bond issue. Mr. Singer answered in the affirmative.

Commissioner McDonnell then asked if the items not being touched by the bond issue were the South Terminal modernization, the people mover system, the electrical distribution system, Boarding Area C and the aircraft aprons. Mr. Singer said that all these items are part of the Modernization and Replacement Phase, but the current bond issue would only cover the first four items and part of the last item, "other miscellaneous projects, art enrichments, etc.". Commissioner McDonnell asked if there was any idea of trying to finance the additional items over a 5-year period. Mr. Singer said that he referred earlier to a 5-year financial plan which is based on \$152 million of Modernization and Replacement Phase capital project costs. He said that part of these costs are financed by the Series B bonds and the balance is shown as current revenue as explained earlier by Mr. Heath.

Mr. Blais of United Air Lines said that the program is very optimistic but that the airlines would cooperate as much as possible.

Commissioner Kadish commented that it was remarkable to have the draft in such a short period of time.

Commissioner Bernstein felt they should pass the program and that they should maintain the present time schedule. Mr. Heath added that timing is very important in dealing with this type of issue; the more delay, the more interest that will have to be paid.

* * *

3) Removed from Calendar.

* * *

- (4) Airport Development Aid Program; (ADAP-9), Acceptance of Federal Grant Offer in the Amount of \$587,754.00 for Project No. 6-06-0221-09.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0095

Resolution ratifying authorization given the Director of Airports to accept the Federal grant offer in the amount of \$587,754.00 under ADAP-9, Project No. 6-06-0221-09 for Reconstruction and Overlay - South End of Runway 1R-19L, and Runway Intersections.

Mr. Heath said that this is the resolution referred to at the last meeting which authorizes the acceptance of Federal grant offer in the amount of \$587,754.00.

Commissioner McDonnell asked when the work will start and was told by Mr. Robert Lee, Deputy Director, Planning/Engineering, that it will start about Labor Day and could not start earlier because of summer traffic.

* * *

- (5) Bid Call for Airport Contract No. 1159, Construction of Valet Parking Facilities, North Terminal.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following item was placed in front of the Commission for discussion; subsequently no action was taken on it.

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids on Contract No. 1159, Construction of Valet Parking Facilities, North Terminal.

Mr. Heath said that this is a bid for authorization of the construction of parking shelters identical to the ones we already have in front of the Central and South Terminals. He showed a rendering of the existing shelters. He said that the breakdown of the cost is contained on page 2: about \$45,000 for various work including constructing concrete guardrails, which is a part of the valet construction cost.

Commissioner Kadish said that we are currently losing money on the valet parking, and by building this shelter, we would be increasing that loss by another \$60,000. She said that the only way we could make money or break even, is by having a valet parking shelter that is self-supporting and not subsidized by us. She said that there should be a management study to inform the Commission how they could continue valet parking on a self-supporting basis; only when we determine that should we spend any further monies.

Mr. Singer said that there have been a number of conflicting studies. He said that one study shows an excessive loss but a second study indicates that the cessation of valet service would not reduce the entire amount of the loss. He said that there should be a definitive study of the valet operation, the assignment of valet attendants and the accounting of valet costs.

Commissioner Kadish then asked that the item be taken off calendar. It was removed.

* * *

- (6) Modification No. 2, (Debit) Airport Contract No. 937R, Industrial Wastewater Collection System - Phase I, \$8,870.00

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0097

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 937R-3 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 2 in the amount of \$8,870.00.

Mr. Heath said that this is a modification for part of the wastewater treatment program construction.

* * *

- (7) Modification No. 1 (Debit), Airport Contract No. 960, Road Graphics, \$13,286/00

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0098

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 960-1 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 1 in the amount of \$13,286.00.

Mr. Heath said that these change orders are mainly to increase the size of the footings around the road signs.

* * *

- (8) Modification No. 7 (Debit), Airport Contract No. 977, Expansion of Electrical Distribution System - Phase I, \$30,917.00

No. 78-0099

Resolution approving and requesting the Controller's certification of Debit Modification No. 7, to Airport Contract No. 977, Expansion of Electrical Distribution System, Phase I, in the total amount of \$30,917.00.

Mr. Heath said this is a modification of Contract 977 caused by a phasing problem between two contracts.

Commissioner Kadish said that she is concerned about the legal responsibility. Mr. Lee said that he, too, is concerned.

* * *

- (9) Completion of Airport Contract No. 1094R, Waterproofing Observation Decks, \$11,723.00

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0100

Resolution accepting the work under Airport Contract No. 1094R, Waterproofing Observation Decks, as satisfactorily completed; extending the completion day from February 14, 1978 to March 10, 1978; and approving final payment in the amount of \$11,723.00 in favor of the contractor, Malott and Peterson-Grundy, 2312 Harrison Street, San Francisco, CA 94110.

Mr. Heath said that this is a resolution by which we accept the contract for waterproofing the observation decks as satisfactorily completed; the only delay on the contract was due to bad weather.

Commissioner Kadish asked how long a guarantee we have. Mr. Lee said that we have a two year guarantee on materials and workmanship.

* * *

- (10) Speed Limit on Airport Roads

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0101

Resolution amending Section 1.4.6(g) of the Airport Rules and Regulations that specify the speed limits on Airport roads. New speed limits will be up to 35 mph.

Mr. Heath commented that the present speed limits on Airport roads, as a result of studies, are recommended to be increased to 35 mph. He said that it would help to solve one of our problems with the shuttle bus not moving fast enough because with a higher speed limit it could then move faster. Mr. Heath said that it is the feeling of the traffic people that 35 mph is a more realistic speed limit.

* * *

- (11) Approval of Schematic Plans, Contract No. 1100, Boarding Area "E".

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0102

Resolution approving the schematic plans submitted by San Francisco Airport Architects for Contract No. 1100, Boarding Area E.

Mr. Heath said that the Airport Architects have been working on the schematic plans for Boarding Area E. He asked Mr. Len Blackford to explain the plans.

Mr. Blackford of Airport Architects said that this is a significant project and part of the Modernization and Replacement Phase. He said that the project is really three separate structures: (1) a boarding area which will replace the present one; (2) finishing of the Northeast corner of the North Terminal; and (3) the concourse from the North Terminal to the Central Terminal.

Commissioner McDonnell asked about the amount of the Architects' budget. Mr. Blackford explained that it is necessary to get this work completed as soon as possible, which will require additional staff time.

* * *

- 4) Tenant Improvement: Host International, North Terminal Restaurant, Executive Offices, Employee Facilities and Employee Cafeteria, \$1,000,000.00.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0103

Resolution approving the final plans and specifications submitted by Host International showing proposed improvements in their tenant spaces in the North Terminal, including the North Terminal Restaurant, Executive Offices, Employee facilities, and Employee Cafeteria.

Mr. Heath said that this is one of the smaller facilities of Host in the North Terminal and that the plans have the approval of the Airport staff. Mr. Garrett of Host International showed renderings.

* * *

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolutions were unanimously adopted:

- 5) Tenant Improvement: United Air Lines Ancillary Building, Service Center Hangar, Plot 4, \$600,000.00.

No. 78-0104

Resolution approving preliminary plans and specifications submitted by United Air Lines, showing the proposed construction of a single story metal building at the west side of United Air Lines' Service Center Hangar at Plot 4.

- 4) Tenant Improvement: American Airlines, Ground Equipment Maintenance Shop, \$380,000.00.

No. 78-0105

Resolution approving the preliminary plans and specifications submitted by American Airlines showing their proposed Ground Equipment Maintenance Shop at Plot 7S and 7E.

- 5) Tenant Improvement: Qantas Airways, Ltd., Install Cargo Handling Equipment at Cargo Building No. 7., \$290,000.00.

No. 78-0106

Resolution approving the final plans and specifications submitted by Qantas Airways, Limited, showing the installations of containerized cargo handling equipment in Air Cargo Building No. 7.

(16) Tenant Improvement: Pacific Southwest Airlines, Remodel Cargo Building 6A-1, \$50,000.00.

No. 78-0107

Resolution approving the final plans and specifications submitted by Pacific Southwest Airlines, showing the proposed remodeling of the Air Cargo Building 6A-1 at Plot 6A.

Mr. Heath said that these are interior improvements to existing buildings. Commissioner Kadish asked if these have to be approved by the Art Commission. Mr. Robert Lee said that they do and that they will go to the Art Commission after Airport approval.

* * *

(17) Resolution Approving Five-Year Extension of Candy Shop Lease.

The following resolution was moved, seconded and unanimously adopted:

No. 78-0108

This resolution will approve the Candy Shop Concessionaire's exercise of the first five-year option at renegotiated terms and conditions.

Mr. Heath said that there was a misprint which shows the agreement beginning on August 30, 1969. It should read August 30, 1966.

Commissioner McDonnell asked if this lease affects the North Terminal and was told by Mr. Heath that it is for the existing terminals only and that there would be a separate agreement for the North Terminal. However, Mr. Heath said that space has been allocated for a candy shop, newsstand, shoe shine stand, bank and Host.

Commissioner Kadish said that she would appreciate having the Commission informed as to whether that aspect of the contract which deals with fair and equal pricing of products compares the price of goods at the Airport to the price of goods within the City of San Francisco.

Commissioner McDonnell added that he would like to know what the policy for assigning space is before specific leases or permits are brought to the Commission.

Commissioner Kadish said that she feels it is incumbent upon the Commission to look at current tenants and their contracts to see whether they are fulfilling the contracts. She said that this was important when new contracts for the same tenants were being considered.

Commissioner McDonnell commented that with the opening of the North Terminal projected for October, if we still have not leased space at this time, it should be done quickly. He said that the Commission needs to know what spaces have already been leased and what spaces may be up for bid.

Mr. Singer stated that it was his intention to bring the policy questions to the Commission for decision.

David Kroopnick, Acting Airports General Counsel, said that the Supreme Court made a recent decision which held that municipalities could be held in restraint of trade although the exact applicability of this decision to San Francisco Airport will have

to be explored in greater detail. Mr. Kroopnick said that under the Charter, the Commission has the power to give space on a non-exclusive basis.

Commissioner Kadish asked when the Commissioners would receive a contract adherence report. Peter Singer replied that the Commission should receive one in about a month.

* * *

(18) Resolution Authorizing Professional Service Agreement, W. Grayson Heath and Company.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0109

W. Grayson Heath and Company will perform professional services for a cost not to exceed \$10,000.00. Said services to consist of inspection, reporting, recommendation and monitoring of major repair work to the Airport's escalators, elevators and moving walks.

Mr. Richard Heath said that the Maintenance staff has noticed a large number of breakdowns in escalators, elevators and moving walkways. He said that the Airport does not have the expertise within its staff to analyze the situation or do the work, so it is recommended that Mr. W. Grayson Heath and Company be employed for that purpose. Mr. Richard Heath said that it will save a lot of money and frustration.

* * *

Director's Reports

A1. Hetch Hetchy Rates

Mr. Heath informed the Commission that the injunction in the Hetch Hetchy case had been extended. He said that this will prevent Hetch Hetchy from putting into effect the new rate increases and that the City Attorney has advised Hetch Hetchy that they would have to go back, at least regarding rates for the Airport, to the rates that were applicable before this litigation. Mr. Heath said that we had received a letter from Mr. Moore saying that the rates would be the pre-1975 rates and that the rates for Airport usage would be current rates without discount. He estimated that the result would be that our utility bill would drop from about \$8 million to about \$4 million. Mr. Heath said that it appears we will get substantial relief on next year's budget.

A. Cash Collection at the Airport

Mr. Singer said that we have made a study of our own cash receipts, a copy of which was distributed to Commission members and which is attached to these minutes and incorporated by reference. He said that he has found no scandals at the Airport and discussed the figures in the report.

B. Rubber Molding

Mr. Blackford of Airport Architects gave a report on rubber molding and cove tile in the garage. He described the different types of tile and presented samples. He estimated that the cost would be about \$150,000 to add tile base to all six floors. He said that to add it to stairways would probably cost an additional \$180,000.

Commissioner Kadish requested that the architects take the matter under advisement and let the Commission know what conclusion they reach.

C. New Personnel Officer

Mr. Heath introduced Pat Gibbons, the new Personnel Officer, to the Commission.

* * *

There being no further business before the Commission, the meeting adjourned at 5:00 p.m.



Eric Craven
Secretary
Airports Commission

AIRPORTS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
GEORGE R. MOSCONE, MAYOR

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128
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RICHARD R. HEATH
DIRECTOR OF AIRPORTS

MORRIS BERNSTEIN
PRESIDENT
RUTH S. KADISH
VICE-PRESIDENT
WILLIAM E. McDONNELL
WILLIAM K. COBLENTZ

M E M O R A N D U M

April 3, 1978

TO: MEMBERS, AIRPORTS COMMISSION
Hon. Morris Bernstein, President
Hon. Ruth S. Kadish, Vice President
Hon. William E. McDonnell
Hon. William K. Coblentz

FROM: Director of Airports

SUBJECT: Cash Collections at S.F.I.A.

In light of the recent cash collection discrepancies reported in the Tax Collector's office, we have again reviewed audit procedures at the Airport.

Although a significant amount of cash changes hands at the Airport, most of it is controlled by tenants, lessees or concessionaires. The Airport is particularly concerned with the areas listed below where an accurate report of all gross revenues is vital to the Airport's receipt of all commissions or net revenues. Details of audit procedures are attached for your information.

<u>1. Parking:</u>	<u>1976-77 Gross</u>	<u>Airport Revenue</u>
A. Garage and Lots	\$7,322,237	\$5,636,895
B. Employee Parking	65,005	65,005

- A. This area is covered by a management contract with Airport Parking Management. Terms of the contract require that all monies received be deposited to the credit of the City and County of San Francisco -

April 3, 1978

Airports Commission and all approved expenditures, plus .597% of gross receipts are paid by the Airport.

The financial records of the garage are audited by independent C.P.A.'s each year. In addition, we have hired private investigators to check on operations of the garage and certain other concessionaires with particular emphasis on possible problems with employees' honesty, ability and general cash control.

We have reviewed the "General Work Rules" which APM requires each employee to read and sign an acknowledgment for in regard to their very strict code of conduct. If you are interested in this detail we will make a copy available. Details of audit procedures are attached.

- B. Employee Parking - -
Special remote parking lots are provided for Airport employees. Tenant employees pay \$5.00 per quarter for employee parking passes. These are issued and controlled by the Airport Accounting Department. All tickets (decals) are pre-numbered and color-coded by calendar quarter. Details of audit procedures are attached.

<u>2. Taxicabs</u>	<u>Gross Revenue</u>	<u>Airport Revenue</u>
1/8/77 - 12/31/77	\$474,459	\$287,642

Operation of this activity is almost identical to the garage. Exceptions include the "short haul," four-part ticket, and daily 20-hour operation (6:00 A.M. - 2:00 A.M.).

Briefly, a four-part ticket is provided for:

- A. Central Control - given to Supervisor at South Terminal to assure fee (\$1.50) has been paid.
- B. First Short Haul - Driver determines destination of passenger before leaving cab stand. If it is a nearby location and driver will return to the cab lot in 30 minutes or less, he informs the

supervisor who stamps the date and time on this portion of ticket. The taxi must return within 30 minutes, and can then by-pass the taxi lot and go into the short line free after having their ticket stamped again.

- C. Second short trips are also time and date stamped, and they must also return within thirty minues, but they must pay \$1.50 for the second short. They then receive a new ticket which lets them return to the short line. This transaction is not recorded in either the gate count or the booth count, but is controlled by a ticket number and a cash register transaction. The daily summary sheet gives a complete accounting of the previous days activities. These sheets are distributed to the Accounting and the Police Departments.

- D. Audit Control - Sent to Accounting Department.

3. <u>Coin Lockers</u>	<u>Gross Revenue</u>	<u>Airport Revenue</u>
9/1/75 - 8/31/76	\$24,120	\$18,331

Time period based on latest audited statements.

This service, baggage lockers, is covered by a concession agreement with Mercury International. Detailed control procedures established by Mercury and Airport Accounting are attached. Audited reports by independent certified public accountants indicate controls are adequate.

4. Pay Toilet (Dressing Room) Facilities --

	<u>Gross Revenue</u>	<u>Airport Revenue</u>
7/1/76 - 6/30/76	\$12,606	\$7,320

This service is covered by a concession agreement with Nik-O-Lok Company for 35 dressing rooms in toilet areas. They install and maintain the locks and make all collections. Periodic audit of meter reading reports and collection procedures as shown on attached sheet do not reflect any irregularities in this area.

April 3, 1978

<u>5. Telescopes</u>	<u>Gross Revenue</u>	<u>Airport Revenue</u>
7/1/76 - 6/30/77	\$2,832	\$739

Current permit to Eyman Instrument Company for four coin operated telescopes.

Airport receives 25% of the first \$100.00 and 33% of revenue over \$100.00 per instrument per month.

These telescopes were located on the observation decks but they have been temporarily removed and will not be put back in service until the second floor observation deck is reactivated.

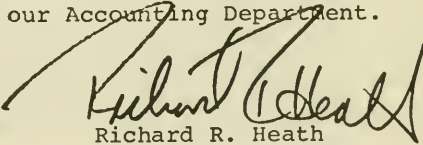
6. Sanitary Napkin Dispensers

7/1/77 - 3/31/78	Gross Revenue: \$1,579
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Collections from these dispensers are made by the Airport custodian and placed in a suspense account by the Accounting Department from which supplies are purchased. A small unit profit is realized which is available for repair or replacement of the vending machines. Collection and audit procedure is attached.

You will note that Airport (City) employees are direct recipients of cash in only two instances -- Employee Parking Permits and Sanitary Napkin Dispensers. The amounts for those items are relatively small. Major receipts are under control of our tenants and concessionaires and the Airport revenues are paid either through direct deposit into the City's bank account or paid by checks. Daily revenue receipts are recorded by an appropriations accountant and sent to the revenue accountant for deposit. Receipt totals and deposit totals are checked by a principal accountant. Accounts Receivable and cash reconciliations are maintained by the general ledger section of the Accounting Department. This three-way control should preclude any possibility of cash manipulation.

As you are aware, the Airport issues contracts to independent certified public accountants to periodically audit selected tenants, concessionaires or service contractors to assure no Airport revenues are lost. This is in addition to internal desk and field audits performed by our Accounting Department.



Richard R. Heath
Director of Airports

PUBLIC PARKING

REVENUE INFORMATION

<u>Period</u>	<u>Cash Receipts</u>	<u>Commission</u>	<u>APM Corporation</u>
1976-77 Fiscal Year	\$7,322,237.48	\$5,636,895.24	\$1,685,342.24

Note: APM Corporation receives expenses plus 0.597% of cash receipts.

Cash Received. Duplicate deposit slips for all cash deposited by Airport Parking Management are received by the Airport Accounting Department. Cash is received for parking fees, lien sales, towing fees, and in payment of credit cards.

Auditing Procedures.

1. The Daily Cash Summary is posted daily to the monthly Parking Fees ledger sheet. The Daily Cash Summary lists cash receipts, credit card receipts and collections, lien sales, and tow deposits. The daily cash receipts are verified against the bank's duplicate deposit slips.
 2. Lien sales are attended by an Airport accountant. Total sales on date of sale are recorded by the accountant. This is checked against deposited cash receipts from lien sales and the monthly Summary of Lien Sales.
 3. A monthly list of vehicles towed is received from the Airport Parking Management. A separate monthly list of collections from tows is also received. The collections from tows are verified against the deposit for tows.
- Though not done at present, the list of collections from tows and the Summary of Lien Sales can be checked against the monthly list of vehicles towed.
4. A current balance of unpaid credit cards is maintained.
 5. Some daily cashier envelopes are selected at random for audit during the month. Details on the cashier envelopes are checked against established procedures and are verified against cashier worksheets and the Daily Cash Summary lists. A memorandum of Audit Discrepancies is submitted to the Chief Accountant monthly.
 6. Other audit procedures include comparing ticket numbers and total tickets on individual cashier envelopes against the Daily Entrance and Exit Control Form and ascertaining that total cash on the individual cashier envelope agrees with the Daily Cash Summary. These procedures are less extensive but performed more frequently than those in step 5.

7. When a car is leaving the garage, it passes over a "loop" which counts the vehicle leaving; the cashier computes the parking fee and requests payment from driver; when cash is received it is rung up on the register -- this results in a "register count".and amount of fee is shown on an indicator to the front and left of the driver (patron also receives receipt so he can verify amount paid was amount recorded in the register); the register ring-up automatically lifts a wooden arm creating a "gate count." Therefore, no car can exit without a register count and gate count. In some instances - an extremely large bill or lost ticket problem - the cashier may have to "back off" the car, in which case the loop count will be higher than the register and gate counts.

Large or recurrent irregularities in these various counts are reported to the Head Airport Electrician to correct equipment problems or ascertain reason for wide differences.

8. The following reports, prepared by an Airport accountant may be useful in spotlighting areas of operation that are being controlled well or poorly.

- a. Monthly report of Unaccounted Parking Tickets.
- b. Comparison of Gross Revenue and Cars Exited. This comparison is made monthly and for the latest 12 months.
- c. Daily and Monthly Reconciliations of Register and Gate and Booth Counts and the Quarterly Comparison of Register to Gate and Booth Counts.

EMPLOYEE PARKING TICKETS

REVENUE INFORMATION

<u>Period</u>	<u>Revenue</u>
1976-77 Fiscal Year	\$65,005

An airport employee sells pre-numbered employee parking tickets. A ticket sells for \$5.00 and is valid for a designated quarter-year (example: January through March). Each day's sales are reported to a different employee of the Accounting Department responsible for preparing a tape total of daily checks and cash received. This tape is used to verify the total of the Airport's daily deposit, which is prepared by the Airport's cash receipts accountant.

The cash receipts accountant receives the money (cash and checks) from employee parking ticket sales, receipts for each sale, and a receipt listing ticket numbers sold and money received. The total of money received must be in agreement with the total of the receipts for each sale and the total due for all tickets sold.

The daily deposit made by the cash receipts accountant must agree with the tape total of daily checks and cash received. This assures that all checks and cash received are deposited.

All pre-numbered tickets sold for a particular quarter are accounted for by the cash receipts accountant. Another accountant verifies the existence of all unsold tickets for the quarter by visual examination. He destroys the unsold tickets. Thus, whether sold or unsold, a full accounting is made for all tickets.

OPEN TAXICAB TRANSPORTATION SYSTEM

REVENUE INFORMATION

<u>Period</u>	<u>Gross Receipts</u>	<u>Commission</u>	<u>Taxicab Operator</u>
1/8/77 thru 12/31/77	\$474,459-	\$287,642.18	\$186,816.82

Note: The Taxicab operator receives a salary, expenses, and one percent of gross receipts.

Daily, the previous day's taxicab receipts are deposited to the credit of the Airport's account at the Bank of America branch located at the Airport. The actual deposit is made by an Airport Parking Management employee. The Airport Accounting Department receives an authenticated duplicate deposit slip for all deposits.

Auditing Procedures. The following auditing procedures are utilized to ensure that cash collections are deposited:

1. The cash reported on the Daily Summary sheet is verified against the deposit slip and daily cashier envelopes.
2. There are two shifts for each workday. The cashier envelope for each shift is checked for the following items:
 - a. Cash collections,
 - b. Tickets sold,
 - c. Cash register transactions
 - d. Differences between cash collected and cash register transactions total, cash collected and total due for tickets sold, and cash register transactions total and total due for tickets sold,
 - e. The beginning and ending number of the pre-numbered tickets sold for each shift are visually verified.

COIN LOCKERS

REVENUE INFORMATION

<u>Period</u>	<u>Revenue</u>	<u>Commission</u>
9/1/75 thru 8/31/76 ,	\$24,120	\$18,331.20

Note: Lockers were out of operation during the entire months of December 1975 through April 1976.

Mercury International Travel Service collects the money from coin lockers at the Airport. They submit a report listing collections by lockers, total collections, and commission to the Airport, along with a check paying the Airport's commission.

Yearly, Mercury International Sales and Service Company (allied with Mercury International Travel Service at the Airport) submits an audit report by a Certified Public Accountant of gross receipts from insurance sales and Western Union Commissions. This audit report does not include collections from lockers.

The Airport has not audited revenue from locker collections. However, Touche Ross and Company audited this revenue for the year ended August 31, 1976 for the Airport. Touche Ross found no difference between audited and reported revenue from coin lockers. Ken Kjellman of Touche Ross discovered that locker reports and locker operating records of Mercury tied in with Mercury's financial records. The reported amount collected (total difference between beginning and ending readings for all lockers) agreed with financial records. Touche Ross was dependent on the locker readings taken by Mercury.

Mercury International Travel Service Procedures for their Coin Locker Operation.

1. Collection of Coins. The coins from the lockers are collected weekly, sometimes more or less frequently. The coins are not always collected by the same person. Sometimes Mr. Bennett collects the coins. The lockers are separated into location areas. There is a separate collection bag for each location area.
2. Money Count and San Francisco Locker Collections Report. The money is given by the collector to the bookkeeper for counting. The bookkeeper does not collect the coins. The bookkeeper counts the coins by location area and prepares the San Francisco Locker Collections report. This is a monthly report which shows weekly collections from lockers by location areas.
3. Locker Operating Record. The monthly report entitled Locker Operating Record is a daily record for each individual locker. It serves a number of purposes, including the disclosure of long-term storage of items in a particular locker and a record of meter readings from lockers. Items stored for a long time in a locker are removed to a storage area. A charge of 25¢ per day is made for items in storage. The maximum charge is \$5.00.

Basically, the Locker Operating Record is the document used to record meter readings. The readings are read often during the month. The readings are taken by someone other than the collector of locker money and the counter of locker money (persons in parts 2 and 3 of this report). The ending meter readings of two months (say, October and November) provide the information to calculate the metered collection for a month (November).

4. San Francisco Locker Report. The San Francisco Locker Report is prepared by Mr. Bennett from the San Francisco Locker Collections report (actual collections) and the Locker Operating Record (metered collections). The San Francisco Locker Report is a monthly report which shows metered and actual collections by locker area; total collections from lockers; refunds, tests, and foreign coins; storage collections; total net collections; commission to the San Francisco International Airport; and Mercury's share of collections. Mercury pays a commission to San Francisco International Airport based on actual cash collected or metered collections total, whichever is larger.

Additional Information 1. The monthly total of amounts on the Non-Revenue Locker Register Record forms supports the total or refunds, tests, and foreign coins.

2. The Lock Serial Numbers Replacement Report sheet plus actual storage money received during the month supports the storage collections. Most items in storage are never claimed. After a period of time, usually a few months, unclaimed storage items are tossed out or donated to charity.

3. A replacement charge of \$5.00 is made for a lost key. This is not reported as revenue. The average expense of replacing a key is at least \$5.00. The service charge for retooling the key is \$3.00. Other costs include postage and insurance to deliver the key to be retooled (usually a number of keys are sent together), handling, and accounting expenses.

4. Internal control is promoted by having different people responsible for collecting coins, counting coins and recording collection totals, reading the meters, and preparing the monthly San Francisco Locker Report. Mr. Bennett, the manager of Mercury, prepares the San Francisco Locker report. Occasionally, he collects the locker money.

5. This information was received via an interview with Mr. Bennett on 3/31/78.

PAY TOILET FACILITIES

REVENUE INFORMATION

<u>Period</u>	<u>Revenue</u>	<u>Commission</u>
1976-77 Fiscal Year	\$12,606.00	\$7,320.03

An employee of the Nik-O-Lok Company collects cash from the Airport's 35 dressing rooms in toilet areas. He counts and makes up rolls of coins for deposit, using a counting machine owned by the Airport. He deposits the cash collected to the Nik-O-Lok Company account at the Airport branch of the Bank of America.

Nik-O-Lok's employee submits to the Airport Accounting Department a duplicate deposit slip for the coins collected, authenticated by the Bank of America, and a collection report listing the following items: reporting period, toilet coin lock numbers, opening and closing register readings on the coin locks, total amount collected, and the signature of the employee collecting the coins.

At a later date, the Nik-O-Lok Company pays a commission to the Airport based upon the collected cash from the pay toilets. The Airport Accounting Department verifies the amount of the commission by checking the Nik-O-Lok Company's calculations and ascertaining that the commission is based upon the previously received duplicate deposit and Nik-O-Lok's collection report.

The Nik-O-Lok collection report is periodically audited by the Airport Accounting Department as to total number of pay toilets from which collections were taken, collections based on meter readings, and reconciliation of any differences between actual collections and collections based on meter readings. The report submitted indicates when problems are encountered, such as foreign coins, defective locks and jammed locks.

TELESCOPES - REVENUE INFORMATION

<u>Period</u>	<u>Gross Revenue</u>	<u>Commission</u>
1976-77 Fiscal Year	\$2,832.45	\$739.05

Andrew Eyman reports the monthly gross revenue from telescopes on the observation deck at the Airport. He pays the Airport a commission based on the gross revenue.

No audit has been made of the reported monthly gross revenue.

SANITARY NAPKIN DISPENSERS

COLLECTION INFORMATION

<u>Period</u>	<u>Amount Collected</u>	<u>Amount Expended for Supplies</u>
July, 1977 thru March, 1978	\$1,579.30	\$1,204.08

Collections from sanitary napkin dispensers are made weekly by Airport custodial personnel. The collections along with a written note of the total collections are forwarded to the Airport employee who sells parking tickets. He uses the Airport counting machine to count and roll the coins. His count is checked against the custodial count. The two counts have differed on a few occasions by 10¢.

The record of the two counts and the coins are given to the cash receipts accountant for inclusion in the daily deposit for credit to a suspense account from which supplies are ordered.

Audit of the amount that should be collected is made by comparing total collected and cost of supplies. A small profit should result since unit cost is less than price charged. Current balances indicate that collections are in order.

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4/18/78

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

APRIL 18, 1978

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RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
April 18, 1978

Call to Order:

The regular meeting of the Airports Commission was called to order at 2:35 p.m., in Room 282, City Hall, San Francisco.

Roll Call:

Present: Commissioners Morris Bernstein,
Ruth S. Kadish, William E.
McDonnell, William K. Coblentz

Absent: None.

Pledge of Allegiance

Approval of Minutes:

The Minutes of the February 21, 1978 and March 21, 1978 Airports Commission meetings were approved.

Calendar Items:

- (1). Award of Airport Contract No. 980, North Terminal Complex Carpeting, \$929,333.33

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following item was discussed and subsequently removed from the Calendar:

Resolution awarding Contract No. 980, North Terminal Complex Carpeting, in the total amount of \$929,333.33, to American Contract, Suite 250-C, World Trade Center, San Francisco, CA 94111, as the lowest regular and responsible bidder.

Mr. Richard Heath, Director of Airports, stated that four carpet manufacturers submitted acceptable samples: Bigelow, Lees, Walter and Wellco. He said that of seven installers contacted, only two submitted bids and the ones that did not submit bids said that the time of year, the size of the job and consideration for their other work were all factors contributing to their refusal to bid. Mr. Heath said that while the Bigelow price was lower, with analysis of price, performance and aesthetics, Lees came out with the best ratio. He said that it is therefore the staff's recommendation that the award be made to American Contract and that Lees carpets be used.

Mr. Len Blackford of Airport Architects said that Walter Carpets submitted the most attractive sample, but they withdrew from the project.

Commissioner Coblentz asked why there was such a difference in price between the carpets bid and whether installation and overhead were included in those bids. Jason Yuen, Airport Architect, said that actually the prices except for Walter's, which was withdrawn were rather close when you consider that it is a million dollar project.

Commissioner McDonnell reviewed the history of the selection of carpeting. He said that a great deal of time had been spent on selection, visiting other airports, etc. Commissioner McDonnell said that our carpet consultant had said that he, the consultant, felt the only carpet that should be used in airports was tufted carpet. Commissioner McDonnell said that he, personally, felt that woven carpet was better. He said that several years ago the Commission had talked about other floor coverings, such as tile, and a sample had been shown the Commission. He said that at that time the Commission had asked where they could see it in use and were told at Serramonte Center. Commissioner McDonnell said that he had looked at it and found it bland. He said that even such aspects of carpeting as static electricity had been considered. Commissioner McDonnell said that this meeting was the first time he had seen the report on carpets. He said that the Commission should have been asked to sit in on the planning meetings.

Commissioner McDonnell said that these are not the carpets that the Landor Company had recommended, and felt that when a replacement is needed, we will wish that we had carpet with a rubber backing, not carpet sitting on concrete. He said that he had sent mail from various carpet companies to the staff but had heard nothing from staff in response. He said that he would not vote on any carpets at this time.

Commissioner Kadish said that she had an article from the New York Times which gives high points to Commissioner McDonnell's and Commissioner Coblentz' earlier decision to use carpeting. She said that carpeting tended to be colorful, yet provide a soft environment. She recalled clearly that carpet samples had been presented to the Commission and discussion has been held as to the amount of static electricity in carpets. She said that her first choice was the most expensive carpet and that it was also the first choice of others who had viewed the carpet samples. She said that if she were selecting carpeting for her own home, she could make the decision, but that it would be excessive and not fiscally responsible to spend \$300,000 extra of the City's money just because she felt one carpet type was better. She felt that since the Commission was faced with an opening date of late September or early October for the North Terminal and many thousands of yards of carpet will have to be put in place, it was incumbent upon the Commission to make a decision now.

Commissioner McDonnell said that he had been at the meeting at which the Commission had said that they were going to get some larger samples and that they were going to look at some padding. He said that he believed, too, that it was important that the terminal be opened on time, but that he did not feel the Commission should choose anything it didn't feel was the best. Commissioner McDonnell said that we should try to get some other company to build the type of carpet that is the same as the sample that the Walter Company had sent in.

Mr. Heath said that when considering what is the best carpet, we have to consider price as well as performance. He said that the price and quality rating system had been devised to come up with the best overall product. He said that the ratings were based on actual testing of the carpets.

Commissioner McDonnell asked where the various carpets are used. He said that the Lee's carpet is not installed anywhere that he knows of. He was told that the Bigelow carpet is in Tampa Airport and has served there for some years.

Mr. Ed Sullivan, a representative of Lees Carpets, said that this type of carpet was installed in the Bank of America building on Market Street. He said that the Airport could not look at five year old carpets because the 'Unibond' system is only two years old.

Commissioner McDonnell then asked if it was everyone's opinion that there should be no padding. Mr. Robert Lee, Deputy Director, Planning/Engineering, and Mr. Jason Yuen replied in the affirmative, emphasizing stretching problem. Mr. Sullivan said that the problem with carpets is that seams open up and it becomes necessary to tape them or put a colored strip over them.

Mr. Robert Plann of American Contract (one of the two bidding carpet installing firms) spoke about the 'Unibond' process. He said that some 'Unibond' carpet has been installed in businesses in San Francisco and can be visited. Mr. Plann said that the type of backing used for those carpets would be best for the Airport. Commissioner McDonnell asked why Mr. Plann didn't bid any other carpet. Mr. Plann said that he didn't feel he could guarantee any other carpets for five years. He said that the way the terminal is designed would call for bias cut seams and he could not guarantee any other carpet except Lees if it were cut on the bias.

Commissioner McDonnell asked if they had ever before bid under the five-year guarantee provisions. Mr. Plann said that it is not unusual in the industry to have a five-year guarantee provision on the yarn, but the five-year installation guarantee is new for the industry.

Commissioner Kadish said that she wanted to ask questions regarding the lack of bid by American Contract on other carpets. She asked what was the aspect of Lees' carpets that enables diagonal seaming. Mr. Plann said that it is in the backing system which makes it difficult to snag the carpet.

Commissioner Bernstein said that he wondered what the difference was between the Walter carpet specifications and the others. Mr. Yuen said that Walter's had about 10 ounces more yarn per yard. Commissioner Bernstein wondered what the bid price would have been if the others had put in 10 oz. more yarn. Mr. Yuen said that the bids would have been closer.

Mr. Heath said that he felt we have proceeded in as scientific a way as possible to enable us to get bids on the specified carpets.

Commissioner Kadish asked Mr. Keith Williams of Williams and Williams to compare Wellco and Lees carpets.

Mr. Williams said that Wellco used a less expensive yarn than Lees, which would not perform as well. He said that the carpet would not maintain its appearance over the long haul and that the Lees carpet had a better fiber. Mr. Williams said that Wellco was the only company of those submitting samples which used a notably inferior yarn.

Commissioner Kadish asked if a representative of Landor Associates was present. She said that she assumed they had approved the pallet of the Lees carpets. There was no representative of the Landor firm present and Commissioner McDonnell said that he felt it was inexcusable that someone from Landor was not there.

Jason Yuen said that the carpet colors selected were based on the colors selected by Landor's office.

Mr. Blackford of Airport Architects said that the color of the Walter's carpet was better than the other combinations.

Commissioner Bernstein wondered if the amount of yarn per inch would have an effect on the color of the carpet.

Commissioner Coblentz said that he felt the color of the carpet is important and that someone from Landor should be available for comment. He said that he wished to request a special meeting and have Landor appear.

Commissioner Bernstein suggested putting the matter off for a few days.

Mr. Heath said that it would be alright if we could set a date. It was agreed to have a special meeting on Tuesday, April 25. Commissioner McDonnell requested that representatives of all manufacturers and installers be present.

- (2) Award of Airport Contract No. 650D, North Terminal Interior Design Elements, \$498,000.00.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was unanimously adopted:

No. 78-0110

Resolution awarding Contract 650D, North Terminal Interior Design Elements, in the total amount of \$498,000.00, to Ralph Larsen & Son, Inc., 1849 Bayshore Highway, Burlingame, CA 94010, as the lowest regular and responsible bidder.

Mr. Heath said this is the contract for the design elements of the North Terminal interior. He said that four bids had been received and the low bidder was Larsen & Son, Inc. Mr. Heath recommended award of contract.

- (3) On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolutions were unanimously adopted:

Modification No. 34 (Debit), Airport Contract No. 650C, Ratifying Action of the Director of Airports on Change Orders, Completion of North Terminal Building, \$22,098.00.

No. 78-0111

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 111, 115, 116, 117, 119, 120, 121 and 122 and requesting the Controller's certification of Modification No. 34 to Airport Contract No. 650C, in the total amount of \$22,098.00, for providing revisions to exit signs and hardware, braille indications in elevators, neoprene compression seals, water meters, relocation of thermostats in public toilet rooms, additional precast concrete column covers, revising ductwork and relocation of electrical items at glass draft curtains.

- (4) Modification No. 35 (Debit), Airport Contract No. 650C, Ratifying Action of Director of Airports on Change Orders, Completion of North Terminal Building, \$21,418.00

No. 78-0112

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 118 and 123 and requesting the Controller's certification of Modification No. 35 to Airport Contract No. 650C, in the total amount of \$21,418.00, for providing structural steel angle frames to support window wall closures and relocating existing supply air duct to clear heads of doors.

- (5) Modification No. 7 (Credit), Airport Contract No. 925, North Terminal Aprons and Reconstruction of Taxiways "S" and "SS", \$2,062.85.

No. 78-0113

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 925-13 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Credit Modification No. 7 in the amount of \$2,062.85.

- (6) Modification No. 1 and Completion of Airport Contract 1049, Improvements to Restrooms, Upper Level, Piers "F" and "FF", \$427.00.

No. 78-0114

Resolution accepting the work under Airport Contract No. 1049, Improvements to Restrooms, Upper Level, Piers "F" and "FF", as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 1 in the amount of \$427.00; extending the completion date from February 20, 1978 to February 24, 1978; and approving final payment in the amount of \$11,724.45 in favor of the contractor, Hodgson Construction, Inc., 2815 Fair Oaks Avenue, Redwood City, CA 94063.

- (7) Modification No. 1 and Completion of Airport Contract 1127, Differential Settlement Connection, Sewage Lift Station No. 5, \$1,696.38.

No. 78-0115

Resolution accepting the work under Airport Contract No. 1127, Differential Settlement Connection, Sewage Lift Station No. 5, as satisfactorily completed; approving and requesting the Controller's certification of Credit Modification No. 1 in the amount of \$1,696.38; and approving final payment in the amount of \$8,327.80 in favor of the contractor, Monterey Mechanical Company, 8275 San Leandro Street, Oakland, CA 94621.

Mr. Heath said that these are various change orders he has already approved and asked for Commission confirmation. Commissioner Bernstein asked about the \$35.00 refund in item (3).

- (8) Completion of Professional Services Agreement, Pacific Environmental Laboratory, Wastewater Testing and Analysis, \$6,859.70.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0116

Resolution accepting the work performed under Controller's No. 60491, Professional Services for Wastewater Analysis at San Francisco International Airport, as satisfactorily completed and approving final payment in the amount of \$6,859.70 to Pacific Environmental Laboratory.

Mr. Heath said that this contract approves final payment to the contractor, completing payment on the \$36,000 contract.

- (9) Settlement of Claim, Anthony Harris, \$5,000.00.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0117

Resolution requesting the Controller to allot funds and to draw a warrant against such funds as are, or will be, legally available in payment of said claim against the San Francisco International Airport.

Mr. Heath said that this is a personal injury claim which our attorneys have advised us to settle for \$5,000.00. He said that he concurred with their recommendation.

- (10) Proposed Noise Control Regulations at San Francisco International Airport.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following item was placed before the Commission for discussion; subsequently, the item was taken off calendar:

Proposed Noise Control Regulations at San Francisco International Airport.

Mr. Heath said that his recommendation is that the Commission not take any action until the next meeting in order to give themselves and members of the public time to review the material. He said that he had asked the City Attorney to review the regulations and give an opinion.

Mr. Paul Leonard, Regional Vice President of the Air Transport Association, said that his organization is the trade and service organization of the scheduled air carriers. He said that he had

come to answer any questions about the ATA's position on the noise regulations. He said that the ATA does realize that the Airport Director and Commissioners feel it necessary to consider and possibly adopt a noise regulation. He said that ATA members feel they are good tenants trying to conduct their operations with the least amount of noise and that they are active and responsive members of the Noise Abatement Committee.

Commissioner McDonnell asked what Mr. Leonard felt was wrong with the suggested regulation.

Mr. Leonard said that there have been a number of noise abatement programs over the years. He said that the federal government adopted a regulation in 1976 which mandates an eight-year program for retrofitting or replacing aircraft so that all aircraft will meet FAR 36 Noise Standards. He said that the carriers he represents operate at about 460 airports and if each jurisdiction adopted a separate regulation, the carriers would have difficulty operating.

Commissioner McDonnell asked if other airports have regulations. Mr. Leonard said that San Diego has a curfew and Orange County and Logan Airports have noise regulations.

Commissioner McDonnell asked if Mr. Leonard felt that all carriers should be retrofitted by 1985. Mr. Leonard said he agreed with the FAA that federal rules should be followed in developing those programs. Mr. Leonard said that San Francisco's proposed regulation is not specific enough with regard to what FAR 36 retrofit would be required. He said that the original FAR 36 was adopted in 1969 and that since then, there have been about seven or eight amendments.

Commissioner Kadish said that the comments of the ATA would be taken into consideration, adding that there is no doubt that this Commission will make a policy statement on noise. Commissioner Kadish said that the state requirements necessitate our moving in that direction and that any input is greatly appreciated.

Commissioner McDonnell asked whether there were members of the ATA who would fall in the category of international carriers with planes that would not be retrofitted by 1985. Mr. Leonard said that as the current FAA regulation is formulated, there could be airlines whose planes operated internationally and a portion of whose fleet would not be retrofitted.

Ms. Anita Maraviglia of the Airport Impact Reduction Force said she was glad that a portion of the regulation on public hearings had been added and that members of the public would be notified of Commission meetings, but that she has not been receiving the minutes.

Director's Reports

A. Welcome Sign

Mr. Robert Lee, Deputy Director, Planning/Engineering, gave a presentation of artists concepts of what the new welcome sign might look like. He said that there was a request to delay destruction of the old sign until something could be found to replace it. He said that it had been suggested that maybe replacement should come under the Art Enrichment Program.

Commissioner Coblenz said that we should contact Mr. Landor and see if we can get him to come up with something.

B. Retirement

Mr. Heath asked the Commission to approve a resolution to be presented to Mr. John Mullen on his retirement. The Commission unanimously gave its approval. (Resolution No. 78-0118).

C. Senate Bill 1788

Mr. Heath said that he was bringing this bill to the attention of the Commission because it would take powers away from the Joint Powers Board. He said that authority to conduct land use planning would be taken away and that authority passed on to a regional authority. Mr. Heath said that it would provide for a tax on jet fuel and would result in that money being spent in the L.A. area. He said that none of the benefits of the tax would flow to this area. The Commission indicated its opposition to the bill.

There being no further matters before the Commission, the meeting adjourned at 4:10 p.m.



Eric Craven
Secretary
Airports Commission

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

APRIL 25, 1978

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Vice-President

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WILLIAM K. COBLENTZ
DR. Z. L. GOOSBY

RICHARD R. HEATH
Director of Airports

San Francisco International Airport
San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
SPECIAL MEETING
AND
PUBLIC HEARING
April 25, 1978

Call to Order:

The Special Meeting and Public Hearing of the Airports Commission was called to order at 2:04 p.m., Tuesday, April 25, in Room 300, 101 Grove Street, San Francisco.

Roll Call:

Present: Commissioners Morris Bernstein,
Ruth S. Kadish, William E.
McDonnell, William K. Coblentz

Absent: None

Calendar Items:

- (1) Award of Airport Contract No. 980, North Terminal Complex Carpeting, \$929,333.33

The following item was before the Commission from the regular Commission meeting of April 18, 1978. At that time it was moved by Commissioner Coblentz and seconded by Commissioner Kadish. At the Special Meeting of April 25, it was passed three ayes (Commissioners Bernstein, Kadish, Coblentz) to one nay (Commissioner McDonnell).

No. 78-0119	Resolution awarding Contract No. 980, North Terminal Complex Carpeting, in the total amount of \$929,333.33, to American Contract, Suite 250-C, World Trade Center, San Francisco, CA 94111, as the lowest regular and responsible bidder.
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Mr. Richard Heath, Director of Airports, said that this is a continuation of the discussion from the regular Commission meeting of a week ago. He said that one of the questions raised was why the best looking carpet selected by the Commission was not being used. He said that the contractor with the best overall sample withdrew from the process and as a result, the next best carpet was selected, the Lee carpet.

Mr. Jason Yuen, Airport Architect, said that it was requested that the Lee sample be brought closer to the color chosen by the Landor Associates. He said that the final product will look very much like the color of the Wellco sample, which Landor has selected as the best aesthetically.

Mr. Glen Gardner of Landor Associates said that it was his original recommendation that a woven carpet with rubber backing be used. He said that, however, since the Airport was willing to accept both tufted and woven carpet, he would be willing to accept both tufted and woven carpet; he would be willing to work with whichever is selected to arrive at an acceptable appearance.

Commissioner McDonnell asked if there were carpet color samples from Landor at the present meeting. He said that one pattern and two colors were selected to be used as control colors and each of the mills came up with slightly different colorations. Commissioner McDonnell said that it was his opinion that the Wellco color was the most desirable and that United Airlines and other tenants preferred Wellco as well. He asked if Landor's recommendation before the request for samples was for tufted or woven carpet. Mr. Yuen said that it was woven, but we had followed the recommendation of Williams and Williams, the Airport's carpet consultants that we accept both tufted and woven samples. Commissioner McDonnell then asked that the original patterns be brought forward. He said he did not like having a carpet without a pattern, because a carpet with a pattern would help disguise soil and stains.

Commissioner Coblentz said that the carpet proposed by Landor was not considered the best and he asked Mr. Williams if he would address himself to that. Mr. Williams of Williams and Williams displayed the original sample and four additional samples that were thought to be acceptable for the Airport. Mr. Williams presented a hand-held microscope for the Commission to view and compare the Landor sample with the approved samples. He also showed a blown-up picture of the yarn system and said that if money was no object, there is one yarn, which costs about \$30 or \$40 a yard, that would last for 20 years. He said that all his samples were tested for cleanability.

Commissioner McDonnell raised the question of a carpet with a pattern. He said that the Landor people should have told the Commission that the original idea of a pattern was thrown out and that a tufted carpet was chosen.

Mr. Len Blackford of Airport Architects and Mr. Glen Gardner both stated that this was brought out at earlier Commission meetings. Commissioner Kadish recalled that this had been done.

Commissioner Coblentz asked Mr. Williams to explain how he had tested the carpet samples. Mr. Williams said that he collected soil, weighed it, brushed it into the carpet, sprayed oil on it, ran a machine over it and then cleaned it.

Commissioner McDonnell asked why did we get away from using a patterned carpet. He added that one of Landor samples had a pattern. Mr. Yuen said that the Landor pattern cannot be produced in a tufted carpet. Commissioner McDonnell said that a nylon blend carpet was recommended because we are judging this not only from the wear viewpoint, but also aesthetics. He said that the previous Commission did not recommend tufted carpet because it looks cheap. He asked Mr. Gardner of Landor Associates what his opinion was. Mr. Gardner said that he could not recommend tufted carpet as the best for the Airport. Commissioner McDonnell said that this was never said at a Commission meeting.

Commissioner Kadish said that she thought it would be a good idea if the Commission had a free hand in choosing the best carpet there is, but that the Commission had financial constraints. She said that she was satisfied that they had a carpet of a material and fabrication that will last for five to seven years and will be easy to maintain. She said that if the Commission undertakes to have the carpet respecified and rebid, it would pay a higher price than they would have to pay now.

Commissioner Coblentz said that he would not be qualified to make a judgment based on his own opinion. He said that from his experience of purchasing carpets for various hospitals, he felt that it was incumbent on him to bow to the experts. He said that he did not want to intrude himself unless he saw egregious error. He said that this type of carpet has been chosen not only by Mr. Williams but although the Landor firm objects to tufted, they don't object to the color. Mr. Gardner from Landor Associates said he believed the color problem could be resolved.

Commissioner Coblentz said that he planned to vote aye with the caveat that Landor Associates be involved with the final color selection.

Mr. Williams said that the photo of the fiber showed that the nylon was more practical than the acrylic. He said that you could imagine what a change it would be if you had thousands of people a day walking over the acrylic. He said that the fibers break down in acrylic yarn but not in the nylon yarn.

Commissioner McDonnell asked if the reason why there is no pattern in the carpet is because it is tufted. Jason Yuen replied that that was the case. Commissioner McDonnell asked when this was decided and if Landor Associates knew that when the carpet was put out to bid.

Commissioner Kadish asked if the point had not been raised already that with a curved terminal, it would be very difficult to make a patterned carpet look attractive.

Commissioner McDonnell said that he felt it was unusual that all this had not been explained to the Commission.

The motion was moved again by Commissioner Kadish and seconded by Commissioner Coblentz.

Commissioner Coblentz stated that he did not want to pass judgment on the color because consultants were hired for this. He said that if they had made a mistake, they would be blamed.

Commissioner Bernstein said that he was inclined to agree with Commissioner Coblentz that there are merits and demerits in the whole thing. He said that the Commission had a problem of time and he believed the Commission should pass this resolution.

Commissioner Kadish said that she would like to hear Len Blackford's views. Mr. Len Blackford said that he recommends that he get sample colors and patterns and look at them in the mock-up they have in their engineer's office which has fluorescent lights exactly like those which will be in the North Terminal. He said that he had color coordinated the carpets as closely as possible and that the selection was based on the color closest to the original that they could produce. Mr. Blackford said that they should have a final sample and look at it under lights exactly like those in which it will be seen.

Commissioner Coblentz said that the carpet in Rotunda A looked bad when it was finally installed, although samples had looked good, all because of the light.

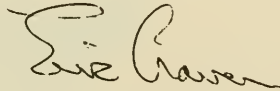
Commissioner Kadish asked Mr. Blackford to speak about installation time and the opening of the North Terminal. Mr. Blackford said that CMC has been doing everything they can in order to get heat into the terminal and if everything goes right, he could see it being ready at the appointed time.

Commissioner McDonnell said that he felt it would be impossible to open it by October.

Mr. Robert Lee, Deputy Director, Planning/Engineering, said that as far as he knows, the City's work will be finished by October 1st and that United Airlines plans to move in on October 15. He said that UAL is ordering a double shift so that they can meet their target date.

* * *

There being no other business on the agenda of the Special Meeting and Public Hearing, the meeting was adjourned.

A handwritten signature in dark ink, appearing to read "Eric Craven". The signature is fluid and cursive, with the first name "Eric" and last name "Craven" clearly distinguishable.

Eric Craven
Secretary
Airports Commission

SAN FRANCISCO AIRPORTS COMMISSION



APR 2 1978

DOCUMENTS THAT
DO NOT BELONG

MINUTES

May 1, 1978

GEORGE R. MOSCONE, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

RUTH S. KADISH

Vice-President

WILLIAM E. McDONNELL

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
SPECIAL MEETING
May 1, 1978

Call to Order:

The Special Meeting was called to order at 11:00 a.m. in Room 300, 101 Grove Street, San Francisco.

Roll Call:

Present: Commissioners Morris Bernstein,
Ruth S. Kadish, William K.
Coblentz

Absent: Commissioner William E. McDonnell

Calendar Items:

Consideration of Action to be Taken with Respect to the \$90,000,000.00 Bond Issue.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0120 Cancellation of Sale of
\$90,000,000.00 Revenue Bonds.

Mr. Heath, Director of Airports, read his memorandum in entirety (which is attached and included by reference). Generally, the memorandum stated the Airports' position that the sale of \$90 million revenue bonds must be cancelled. Mr. Heath said that he would respond to any questions.

Commissioner Coblentz asked Mr. Richard Walker of Orrick, Herrington, Rowley and Sutcliffe, the Airport's bond counsel, if he would like to add anything. Commissioner Coblentz asked when the air carriers were notified of the bond sale. Mr. Walker said that the airlines were notified about two or three weeks ago, before the official statement was completed. Commissioner Coblentz asked if this resolution were adopted, does it mean that the Airport can no longer resurrect the bond sale. Mr. Walker said that this action would rescind the resolution relating to the notice of sale of the bonds. But he said that the resolution authorizing the sale of bonds would stay in effect with no specific time limit.

Commissioner Coblentz asked Mr. Happeny of Saloman Brothers, financial advisors to the Airport in bond matters, if he had any remarks. Mr. Happeny said that he agreed with Mr. Heath's statement. Commissioner Coblentz then asked if Mr. David Kroopnick, Deputy City Attorney and Acting Airports General Counsel, wanted to add anything. Mr. Kroopnick said that he was in concurrence with the statement.

Mr. Jan Blais of United Airlines and Chairman of the Airlines Policy Committee identified various airlines spokespeople who wanted to make short statements following his remarks. He said that he would not offer a competing legal opinion, but he felt that many of the statements made in Mr. Heath's memorandum were incorrect. He asked what has happened that was new since the bond statement was drafted. He said that there was no difference between the position of the airlines at the time the bond statement was drafted and the present. Mr. Blais asked for a City Attorney's opinion on the airlines' position. Commissioner Coblentz said that as a result of the recent statements by the airlines,

he believed, now, that the differences of opinion between the airlines and the Airport were not made clear in the official statement. Commissioner Coblentz said that the original statement was one-sided and was modified to reflect the Airport's position, but these modifications did not reflect the implication of the more recent airlines statements.

Mr. Blais said that the airlines' claims and contentions are the same and there had been no change; the airlines have made no decision concerning suing the Airport. He said that the airlines were given an opportunity to make a statement only last week but that they could not give up their rights at the present moment. Mr. Blais said that he noticed in the draft resolution that the Airport and the airlines hoped to resolve their differences. He said that he certainly hoped that that would be the case.

Mr. Blais said that he would like the Airport to provide the airlines with a copy of the Airport's position on the issues raised. He said that the airlines do not engage lightly in decisions to litigate. He said that the airlines believe that they have given a guarantee to the Airport that the debt service cost of the revenue bonds will be funded.

Commissioner Coblentz said that the Commission completely agrees with the statements raised in the letter of April 28th from the Mayor (a copy of which is attached and incorporated by reference). He said that the Commission is now in the position where he would strongly recommend passage of this resolution.

Commissioner Kadish said that she agreed with everything Commissioner Coblentz had said, but additionally she felt that the Commission must protect the integrity of the City and County of San Francisco. She said that it was incumbent upon the Commission to see that full disclosure takes place. She said that it was not a very pleasant task, but the Commission must do it and see how the matter could be resolved and then go ahead with the Modernization and Replacement program.

Commissioner Bernstein said to Mr. Blais that it was not the intention of the Commission to ask the airlines to give up any of their rights.

Mr. Blais said that he was surprised that things had progressed to that point because he felt that the matter had been settled. Mr. Heath said that the problem is that the airlines were asking for impossible action on the part of the City. He said that he had asked them to resolve the problems, but as long as they remained in the position of threatening litigation, the bond sale could not go forward.

Mr. James Chamberlain of Delta Airlines said that he felt the current situation was a serious one and he hoped it would be resolved in the near future.

Commissioner Coblentz said that the airlines knew this was the attitude of the Commission and the Mayor but had persisted in their attitude. He said that the Commission is not going to permit the integrity of the Airport to be threatened.

Mr. Chamberlain said that we have problems which stem from a change on the part of the Commission regarding funding for Airport improvements. He said that the airlines, in good faith and relying on their agreement with the Commission, had proceeded with a modernization program that will benefit all users. He said that halting it at this point, will leave users without upgraded facilities and that it was a breach of contract. He said that the landing fee agreement states how the program was to be financed. Mr. Chamberlain said that on behalf of all users of the facilities he would ask that the Commission proceed with the bond issue so that the program can go forward. He said that he would like to ask that the City Attorney give an opinion on all the issues raised.

Commissioner Coblentz said that international carriers have high priority for the Airport. He said that he regrets having to do this but that in fact, the fault does not lie with the Airport, and, in order to act responsibly, the Airport cannot go ahead with the sale. He said that he thought Commissioners might even be personally liable for damages should the sale go ahead at this point.

Mr. Chamberlain replied that he didn't argue with the Airports' counsel, but he felt that nothing had really changed.

Commissioner Kadish said that it was very interesting that there were statements regarding a breach of faith. She said that the Commission might turn that around and say that there is a breach of faith on the part of the carriers. She said that unless there could be information given to potential bond purchasers that the possibility of litigation was real and could endanger the financing of those bonds, there would not be full disclosure. Commissioner Kadish said that for weeks there have been phone calls and attempts to resolve the situation.

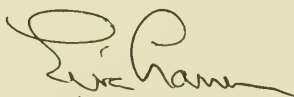
Mr. Chamberlain said that this situation should not have come up and that an agreement soon would settle it. He said that the biggest problem with stopping the bond sale is the funding of capital improvements out of current revenues.

Mr. Heath said that he would like to call the Commission's attention to the letter from the Airlines Policy Committee to the Mayor and the Commission (a copy of which is attached hereto and incorporated by reference). Mr. Heath read from pages two and three of that letter, noting that not only were conditions suggested, but even if the Airport and the City met those conditions, the airlines would continue to defer a decision on litigation. He said that the airlines were not committing themselves to any new action; they were only saying that they would look at the City Attorney's opinion.

Mr. David Lilly, representing San Francisco Tomorrow, said that if the \$90 million bond issue is to be revived, would the Commission allow sufficient time for public notice and public input. When asked by Commissioner Kadish what he would consider sufficient notice, Mr. Lilly replied that two weeks would be considered adequate.

The resolution was read in its entirety by Commission Secretary Eric Craven and the vote taken.

There being no further business, the meeting was adjourned at 11:54 a.m.



Eric Craven
Secretary
Airports Commission

AIRPORTS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
GEORGE R. MOSCONE, MAYOR
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128
(415) 761-0800



MORRIS BERNSTEIN
PRESIDENT
RUTH S. KADISH
VICE-PRESIDENT
WILLIAM E. McDONNELL
WILLIAM K. COBLENTZ

RICHARD R. HEATH
DIRECTOR OF AIRPORTS

MEMORANDUM

May 1, 1978

TO: MEMBERS, AIRPORTS COMMISSION
Hon. Morris Bernstein, President
Hon. Ruth S. Kadish, Vice President
Hon. William E. McDonnell
Hon. William K. Coblentz

FROM: Director of Airports

SUBJECT: Cancellation of Sale of \$90,000,000 Revenue Bonds

I would like to set forth the full context within which this Special Meeting of the Airports Commission is being held in order to adequately explain the action recommended.

The electorate approved the issuance of \$90,000,000 of Airport Revenue Bonds at the election of November 8, 1977. The purpose of the Bond Issue was to provide funds for the Modernization and Replacement Phase of the Terminal Expansion Program.

The Master Resolution covering these Bonds constitutes a contract between the Airports Commission and the bondholders, under which the Commission has irrevocably pledged the Net Revenues of the Airport to the payment of bonded indebtedness. The Commission has agreed to establish and at all times maintain rates, rentals, charges and fees which will yield Net Revenues (after operating expenses) at least sufficient to meet all payments required for debt service and retirement of all bonds when they become due and payable.

Since approximately 50% of the total income of the Airport is generated by air carriers, their contribution to our Net Revenues is vital.

All of the major air carriers serving the Airport are signatories to the Landing Fee Agreement having an original term from July 1, 1973 through June 30, 1988.

Briefly stated, the Landing Fee Agreement provides that the air carriers will meet the financial requirements of the Airport. This Agreement further provides that landing fees and terminal building rentals may be adjusted at certain specified periods to reflect increases in any fees and charges required for maintenance and operation expenses, bond debt service or other payments as provided for by the Charter and the Master Bond Resolution. In addition, the Landing Fee Agreement specifies that the Commission may make any adjustment in landing fees at any time when necessary in order to avoid tax support by the City and County of San Francisco due to the apparent inadequacies of Airport revenues to pay for all Airport expenses incident to its operation and maintenance, or to pay for debt service and retirement of bonds.

The Official Statement designed to supply information to prospective bidders or buyers of the \$90,000,000 of San Francisco Airport Revenue Bonds, Series B, was issued and dated April 4, 1978. This Official Statement summarizes certain provisions of the Landing Fee Agreement. The air carriers had ample opportunity to review and approve the Official Statement. The Official Statement on page 23 states that "The Modernization and Replacement phase of the expansion program being financed by Series B bonds has been approved by the signatory air carriers with operational details to be finalized".

The air carriers have objected over the past 4 or 5 years to certain budgeted expenses and to certain fiscal and accounting practices including: (a) establishment of a special sinking fund; (b) advancing reimbursements to the General Fund of the City and County of San Francisco; (c) application of earnings on the Airport Revenue Fund to the General Fund of the City and County of San Francisco; (d) application of the interests on the proceeds of General Obligation Bonds to the General Fund of the City and County; (e) funding of capital expenditures from operating revenues; and (f) the charging of P.G. & E. electric rates by Hetch Hetchy for Airport general use. Despite the continued rejection of their contentions by the City, the air carriers have neither filed a claim with the City nor have they diligently commenced and prosecuted an action as required by the Landing Fee Agreement.

The air carriers were specifically informed by the Airport Staff, Bond Counsel for the Airport, and by the Financial Consultant for the Airport that their intentions regarding any contemplated litigation against

the City or the Airport had to be correctly reported in the Official Statement. The Official Statement does not contain a statement that the Airlines contemplate litigation over these issues. The Official Statement was reviewed and approved by the official representative of the Airlines Policy Committee.

Nevertheless, on April 18, 1978, the Airline Policy Committee appeared through counsel before the Finance Committee of the Board of Supervisors and raised these legal issues and objections again. The counsel for the air carriers alleged to the Board of Supervisors that numerous accounting and fiscal practices of the City and the Airports Commission in diverting Airport revenues were unlawful. The nature of this appearance clearly implied that the air carriers were studying the possibility of litigation concerning the revenue diversions.

In view of the position taken by the air carriers before the Finance Committee, the Airports Commission and the Mayor of the City and County of San Francisco requested an official statement by the air carriers on whether or not the air carriers intended to litigate the matter with respect to Airport funding.

The carriers delivered a letter, dated April 27, 1978 to the Mayor and to the President of the Airports Commission. This letter reiterates the air carrier position on diversion of Airport revenues and requests a City Attorney opinion on five separate issues. In addition, it attempts to modify the present Landing Fee Agreement and Lease Agreements by making any future increases conditioned on a mutual agreement between the air carriers and the Airports Commission. Finally, the air carriers state that they "will also continue to defer any decision on litigation concerning these revenue diversions until after studying the City Attorney's opinion".

Because there is clearly no possibility for the City to comply with the carriers' demands, the possibility, indeed the probability, of litigation seems apparent.

One of the cardinal rules of public financing is the requirement to make full disclosure of all relevant and material facts with respect to the issuance of any security. Airport revenues are the sole security for Airport Revenue Bonds, and air carrier payments are vital to Airport Revenues.

In view of the statements of the air carriers before the Finance Committee on April 18, 1978, and in the letter dated April 27, it is apparent that they are now attempting to qualify their approval and willingness to

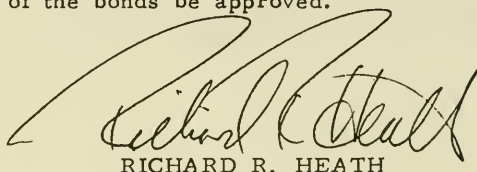
May 1, 1978

to provide funds for the Modernization and Replacement Program as set forth in the Landing Fee and Lease Agreements. The most recently expressed position of the Airlines thus differs substantially from their former position as reported in the Official Statement.

In addition, the Airlines Policy Committee's letter of April 27 makes it clear that litigation on the issues raised in that letter is a definite, not a remote, possibility. That fact should have been disclosed by the Airlines to those preparing the Official Statement. That failure to disclose a material fact has caused the Official Statement as now written to be inadequate in terms of the standards of full disclosure applicable to this Commission.

Thus, under the circumstances, the Airports Commission has no alternative but to hold this special meeting on Monday, May 1, 1978, for the purpose of reviewing the air carriers change of position in Airport funding and considering deferring the sale of the Revenue Bonds, Series B, to a later date. This action must be considered in order for the Airports Commission to comply with the rules and regulations on full disclosure, to protect potential bond purchasers, and to protect the integrity of the City of San Francisco. The bids for these bonds are scheduled to be received and opened tomorrow, May 2, 1978, at 11:00 A.M.

In view of the above, it is the Staff recommendation that the resolution cancelling the sale of the bonds be approved.



RICHARD R. HEATH

April 28, 1978

Mr. Jan David Blais
Regional Manager of Property
United Airlines
San Francisco International Airport
San Francisco, California 94128

Dear Mr. Blais:

I have your letter of April 27, 1978 and must tell you that I find it unacceptable in both tone and content.

This office has been trying to work with you for the mutual benefit of the people of the City and the tenants of its airport. Despite all of my efforts to make you understand our concerns the only response we received from you is a letter which, on its face, appears to be a contract under which I am supposed to deliver certain specifics in return for your undertaking no more than what, in my opinion, you are obligated to do in any event. Apart from the terms of this offer you should be advised that this Mayor does not do business like that.

Under the present circumstances I have no intention of forwarding any appropriation to the Board of Supervisors. I am referring the matter to the City Attorney for his information and to the Airport Commission for whatever action they may want to take.

Sincerely,

George R. Moscone
Mayor

✓ cc: Mr. Dick Heath, Director of Airports
SF International Airport
San Francisco, California 94128

Mr. George Agnost, City Attorney
City Hall, Room 206, SF

GRM/fplr

SAN FRANCISCO AIRLINES POLICY COMMITTEE

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN FRANCISCO, CA. 94128

April 27, 1978

Hand Delivery

The Honorable George R. Moscone
Mayor, City and County of San
Francisco
200 City Hall
San Francisco, California 94102

Mr. Morris Bernstein
President - San Francisco Airports
Commission
San Francisco International Airport
San Francisco, CA 94128

Gentlemen:

This responds to your request, transmitted Tuesday by Airport Director Heath, for assurances concerning the airlines' position on the matter of airport funding.

The airlines have no intention of backing away from their responsibilities at the airport including necessary costs to service bond indebtedness. The City of San Francisco needs both the airlines and the airport. That thought should be the starting point for understanding our remarks in this letter.

The airlines would be willing to agree to pay landing fees and rental rates determined to be necessary in the 1978-79 Airports Commission Budget now before the Board of Supervisors on the following understandings:

1. That any increase in landing fees over current levels unless mutually agreed to, and any increase in rentals over amounts mutually agreed to, the airlines will pay under protest with full reservation of their rights until the existing disputes are resolved; and

2. That the supplemental appropriation supporting the \$90 million Revenue Bond issue be passed on to the Board of Supervisors with the Mayor's recommendation for favorable action and the Bonds be sold and delivered as presently scheduled; and

3. That the Mayor request the City Attorney to render his legal opinion on all of the issues which the airlines have raised concerning revenue diversions from the airport, namely:

A. Accrual of earned interest to the General Obligation Bond Fund and creation of a special General Obligation Bond sinking fund;

- B. Accrual of earned interest to the Airports Revenue Fund;
- C. Advance payment by the airport on the \$24 million debt to be repaid to the City according to a schedule in the Landing Fees Agreements;
- D. Funding of capital projects from operating revenues; and
- E. The charging of discriminatory Hetch Hetchy rates for airport general use;

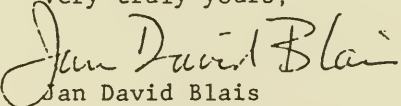
and

4. This legal opinion be made available for review by the airlines by June 1, 1978.

In addition to supporting the airport in its fiscal needs as described, the airlines will also continue to defer any decision on litigation concerning these revenue diversions until after studying the City Attorney's opinion. Provision of this opinion, parts of which the airlines had requested several years ago, should assist both the City and the airlines in judging the merits of this controversy.

Thank you for your consideration. We continue to believe this matter can be resolved to the mutual satisfaction of all concerned.

Very truly yours,



Jan David Blais
Chairman,
Airlines Policy Committee

JDB:lp

cc: Richard R. Heath - Director of Airports

Air California - George Galvin
Air Canada - A. R. Grant

cc: Airlift International - Kuddus Kamay
American Airlines - Max Fenson
Braniff International - Don Sorenson
China Airlines - William Sun
CP Air - W. A. Genereux
Continental Airlines - C. T. Argue
Delta Air Lines - J. A. Chamberlin
Flying Tiger Line - Steve Adler
Hughes Airwest - G. F. Hill
Japan Air Lines - F. Kuwano
National Airlines - M. B. Class
Northwest Airlines - R. James Thorne
Pacific Southwest Airlines - Bob Baxter
Pan American World Airways - Douglas E. Holmes
Philippine Airlines - Charles E. Russell
Qantas Airways - Rogert T. Andriesse
Trans World Airlines - John Westad
United Air Lines - J. D. Blais
Western Airlines - Craig W. Crawford

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

May 2, 1978

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RICHARD R. HEATH

Director of Airports

San Francisco International Airport
San Francisco, California 94128

1 Call to Order

The Special Meeting of the Airports Commission was called to order at 5:30 PM in Room 282, City Hall, San Francisco, California.

* * *

Roll Call

Present: Commissioners Morris Bernstein, Ruth S. Cakish, William K. Coblentz.

Absent: Commissioner William E. McDonnell

* * *

3. Pledge of Allegiance Led by Commissioner Kadish

* * *

4. Approval of Minutes

No Minutes were before the Commission for approval.

* * *

5. Calendar Items

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolutions were unanimously adopted:

- (1) Modification No. 2 and Completion of Airport Contract No. 910, Emergency Exits for International Rotunda

No. 78-0122

Resolution accepting the work under Airport Contract No. 910, Emergency exits for International Rotunda, as satisfactorily completed; approving and requesting the Controller's certification of Debit Modification No. 2 in the amount of \$332.40; extending the completion date from October 4, 1977 to February 23, 1978; and approving final payment in the amount of \$11,663.73 in favor of the contractor, Beiser Construction Company, 735 Industrial Way, San Carlos, CA 94070.

No. 78-0122

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 925-14 and 925-15 in accordance with Airports Commission Resolution No. 70-004 and requesting Controller's certification of Debit Modification No. 8 in the amount of \$34,987.00.

- (3) Modification No. 3 (Debit), Airport Contract No. 937R, Industrial Wastewater Collection System, Phase I, \$10,700.00

No. 78-0123

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 937R in accordance with Airports Commission Resolution No. 70-0044 and requesting the Controller's certification of Debit Modification No. 3 in the amount of \$10,700.00.

Commissioner Kadish requested that for every contract modification, the Commission receive complete information.

* * *

- (4) Tenant Improvement: American Airlines, Ground Equipment Maintenance Shop, \$380,00.00

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0124

Resolution approving the final plans and specifications submitted by American Airlines showing their proposed Ground Equipment Maintenance Shop at Plot 7S and Plot 7E. The work consists of constructing a two story metal building with a ground floor area of 7,200 square feet to house a paint shop, a carpenter shop, an auto shop and offices.

* * *

- (5) Resolution Establishing Policy for Commercial and Public Service Advertising in Airport Terminal Buildings.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted as amended:

No. 78-0125

Resolution defining Commission policy regarding advertising in the airport terminal buildings for guidance of staff as new facilities open or as existing facilities are modernized.

Mr. Heath said that staff's recommendation was that one contract be let to the company which would provide the best service to the travelling public. He said that in discussions with the

of them had different ideas and arguments to the question. He said that general display advertising such as Time magazine, etc. would not have a place if the Airport began an art program because commercial ads would detract from the art program.

Commissioner Kadish said that she felt an addition should be made to the resolution regarding aesthetic criteria.

Mr. Heath said that he thought that would be a good addition.

Mr. Jan Blais of the Airline Policy Committee said that he had not seen the resolution under consideration but he understood that the intention was to promote good aesthetics in the terminals. He said that he would have to oppose such a resolution which would eliminate a source of revenue at a time when new sources of revenue were being searched for.

Commissioner Coblentz said that he understood the position of the airlines but some of the terminal ads were a disgrace. He said that the satisfaction derived from having good ads would more than offset the loss of revenue.

Commissioner Kadish said that she in no way saw this as a way to cut revenues. She said that staff would be pursuing other means of revenues but not in areas that would detract from the appearance of the terminals.

* * *

(6) Claims Settlement, \$7,633.67.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0126	Resolution approving action of the Director of Airports in the settlement and/or compromise of claims in accordance with Commission Resolution No. 74-02337.
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* * *

Agenda Items (7), (8) and (9) were removed from the Calendar.

* * *

(10) Tenant Improvement: Flying Tiger Line, Office Space Improvements in FTL Hanger, \$70,000.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0127	Resolution approving the final plans and specifications submitted by Flying Tiger Line to construct an addition to the existing office structure.
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* * *

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolutions were adopted:

No. 78-0128

Industrial Wastewater Treatment Plant, \$3,450,000.

No. 78-0129

South Terminal Addition, \$14,950,000.

Mr. Heath said that these resolutions stem directly from the action taken yesterday at the Special Commission meeting. He said that as a result of the cancellation of the bond program, staff had reviewed the M & R Program and identified these two projects as being of such high priority that the Airport should go ahead with them. He said that the funding for the projects could be spread over two fiscal years. He said that the International Arrivals Area was such a disgrace to the City at the present time that the Airport must move forward and correct that situation, as quickly as possible, despite the cost.

Commissioner Coblentz asked what the Airport would do with the money raised as a result of this action if the bonds were to be sold at a later date.

Mr. Heath said that the money could be held as surplus or could be transferred to other uses or a reduction in landing fees could be given the airlines.

Commissioner Kadish said that she felt if the Airport collected the money and the bonds were subsequently sold, the airlines should get some credit or a refund.

Mr. Heath said that there were several ways that the situation could be handled: landing fees could be temporarily reduced; the money could be applied to the following year's expenses; and there were a number of projects in the master plan which were awaiting funding.

Commissioner Kadish said that she felt it was important to make it clear that the Commission was not trying to 'sock it to' the airlines.

Mr. Blais said that the Airlines Policy Committee's objections to using current revenues to finance capital projects were well known and the Committee had to oppose the resolution. He directed the Commission's attention to the letter of January 18, 1978 from Mr. Thomas A. Welch of Brobeck, Phleger and Harrison.

* * *

Director's Report

(A) Airport Shuttle Bus Operations

Mr. Heath referred the Commission to the material before them.

Commissioner Kadish said that she just wanted to make sure the buses were an assistance and not a problem.

* * *

Mr. Heath said that he was pleased to hear that the suggestion for developing a computer system which could be used at both San Francisco Airport and Logan Airport in Boston was being followed up on by the FAA.

* * *

Director's Report (continued)

(B) Retirement Resolution

Mr. Heath said that Mr. Jorgen Jorgenson had retired and Mr. Heath requested a retirement resolution .

Commission President Bernstein so ordered.

* * *

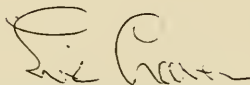
Introduction of New Business by Commissioners

No new business was introduced.

* * *

Adjournment

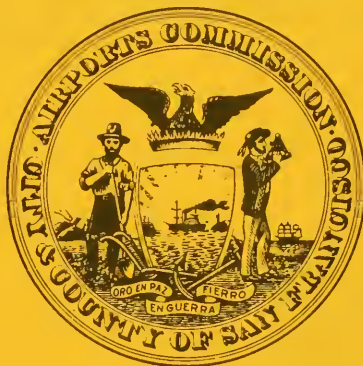
There being no further business before the Commission, the meeting adjourned at 6:10 PM.



Eric Craven
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

May 17, 1978

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J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
SPECIAL MEETING

May 17, 1978

Call to Order

The Special Meeting of the Airports Commission was called to order at 2:30 p.m. in Room 300 of 101 Grove Street (the Public Health Building), San Francisco, California.

* * *

Roll Call

Present: Commissioners Morris Bernstein,
Ruth S. Kadish, William K.
Coblentz.

Absent: Commissioner William E.
McDonnell.

* * *

Pledge of Allegiance

Led by Commissioner Kadish.

* * *

Calendar Items

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

- (1) Adoption of San Francisco International Airport Noise Abatement Regulation.

No. 78-0131

Resolution adopting a Noise Abatement Regulation for San Francisco International Airport.

The purpose of this resolution is to provide for a reduction of the noise levels at San Francisco International Airport and its environs by: (1) requiring all commercial jet-powered transport aircraft to be noise certificated under FAR Part 36 by January 1, 1985, and (2) restricting introduction of aircraft types not presently operating at San Francisco International Airport unless those aircraft types have been certified as being in compliance with FAR Part 36 noise emission standards.

Mr. Richard Heath, Director of Airports, stated that the purpose of the noise regulation was to reduce noise levels at the Airport. The regulation had been before the Commission at a prior time, only one change was made, the one suggested by Ms. Maraviglia, that the notice of public meeting on variance will be published in a local newspaper in the same manner as the announcement of a special meeting, etc. Mr. Heath said that Mr. David Lilly of San Francisco Tomorrow has presented material to the Commission just prior to the meeting which detailed suggested amendments for the regulation (that material is attached and included by reference). Mr. Heath said that a cut-off date had been established for submitting suggestions and these additions were well after the cut-off deadline. He said that he has read the material and believes the suggestions have considerable merit and that additional study should be made. He suggested that the Commission pass the regulation now in order to have effective regulations in place and consider Mr. Lilly's recommendations in the future.

Mr. Lilly said that he realized it was late to present these amendments, but he said San Francisco Tomorrow's proposed amendments are generally in the nature of additional clauses to the existing proposed regulation.

Commissioner Kadish said that the Commission had adopted a policy that the Airport would become the leading airport in the United States of noise abatement and with this resolution it has begun to follow through on that commitment. She said that she felt consideration of Mr. Lilly's amendments were important, but she said that they are really arriving too late for consideration at the present time.

Mr. Lilly said that he wanted to make it clear that his organization appreciated the regulation, it was just that they felt some improvements could be made.

Mr. Heath suggested that the staff follow the same procedure regarding amendment of the regulation as had been followed in adopting it, i.e., repeated public hearings and considerable redrafting. He said the Airport had found that that process produced a better regulation than had been started with due to the public input.

Mr. Leonard of the Aircraft Transportation Association said that he wanted to reiterate the airlines' preference that the Airport not adopt local regulations. He said that if these regulations passed, they would pose an unreasonable burden on interstate commerce.

Mr. Heath said that Congressman Anderson has a bill which, like the proposed regulation, maintains the January 1, 1985 compliance date. He said that Senator Cannon's bill allows the date to slip until 1990 and by passing these regulations the Airport can bring pressure on the Senate to hold fast on the date.

Commissioner Coblentz said that the staff is to be commended on the writing of the regulation and the procedures followed. He said that people are looking to local government to lead in noise regulation and he felt all cooperating bodies were to be congratulated.

Commissioner Kadish said that the Airport has involved people in San Mateo County who are the people most closely touched by noise problems.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

- (2) Ratification and Approval of Budget for Additional Services Assignments, San Francisco Airport Architects.

No. 78-0132

Resolution ratifying the action of the Director of Airports acting in accordance with Airports Resolution No. 70-0044, to make various assignments to the San Francisco Airport Architects under the "Additional Services" section of their basic agreement with the City. The Resolution also provides for the approval of budgets for on-going Additional Services. No additional funds are required as money has been allocated from time to time in their contract for this specific purpose. The period covered for these assignments is from February 23, 1978 through May, 1978.

Mr. Heath said that this is a periodic approval for miscellaneous assignments made to the Airport Architects between February 23 and May, 1978. He asked that the expenditures be approved by the Commission.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Coblentz, the following resolutions were unanimously passed:

- (3) Resolutions Defining Succession in Absence of Director of Airports and Secretary to the Airports Commission.

No. 78-0133A

A. This resolution updates the line of succession in the absence of the Director of Airports.

No. 78-0133B

B. This resolution establishes the line of succession in the absence of the Secretary to the Airports Commission.

Mr. Heath said that this is a housekeeping matter and would establish that in the absence of the Director, Mr. Mike Bagan, Deputy Director for Operations and Maintenance, would be the Acting Director and in Mr. Bagan's absence, Mr. Peter Singer, Deputy Director for Business and Finance, would be Acting Director; also, in the absence of the Secretary to the Commission, Mr. Emmett Smith would be the Acting Secretary and in Mr. Smith's absence, Mr. Warren Hanson would be Acting Secretary.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolutions were unanimously adopted:

- (4) Airport Contract No. 1125, Substitution of Subcontractor, Sludge Beds at Water Quality Control Plant.

No. 78-0134

Resolution approving the substitution of McGrath Steel Company in lieu of F & M Steel Company to perform the reinforcing steel fabrication work under Contract No. 1125. The general contractor for this work is E. Mitchell, Inc.

- (5) Modification No. 1, Airport Contract No. 1125, Sludge Beds at Water Quality Control Plant (No cost).

No. 78-0135

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 1125-1 in accordance with Airports Commission Resolution No. 70-0044. The contractor for this is E. Mitchell, Inc.

This modification requires the contractor to comply with the Affirmative Action Requirements specified by the Federal Environmental Protection Agency in addition to the provisions of the City's Human Rights Commission.

Commissioner Kadish asked if the contracting companies had fulfilled the human rights requirements and why were the affirmative action provisions being fulfilled so late.

Mr. Robert Lee, Deputy Director for Planning and Development, said that the City non-discrimination clause is included in every contract, but since this contract is under jurisdiction of the EPA, we have to include their affirmative action requirements as well.

* * *

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was unanimously adopted:

- (6) Modification No. 8, Airport Contract No. 977, Ratifying Action of Director of Airports on Change Orders, Expansion of Electrical Distribution System - Phase I, \$13,534.89.

No. 78-0136

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 8 and 10, and requesting the Controller's certification of Modification No. 8 to Airport Contract No. 977, in the total amount of \$13,534.89.

Mr. Heath said that there were two changes made in the contract: one was necessitated due to the lateness of another contract completion and the other was due to field conditions.

* * *

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was unanimously adopted:

- (7) Tenant Improvement: Host International, North Terminal Cocktail Lounge, Snack Bar, Fast Bar, and H & I Hub Coffee Shop, \$650,000.00

No. 78-0137

Resolution approving the final plans and specifications submitted by Host International showing the Cocktail Lounge, Fast Bar, and Snack Bar in the North Terminal and Coffee House in the Concourse H & I Hub. The work consists of constructing restaurant and bar facilities within unfinished lease spaces in the North Terminal Complex. The work will be done by Host International at its own and sole expense and without rental credit. The estimated cost is \$650,000.00.

Mr. Heath said that this is a formal resolution approving final plans and specifications which have been reviewed by staff. He recommended approval.

* * *

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following item was placed before the Commission; subsequently no action was taken:

- 8) Supplemental Appropriation for 1978-79, \$13,047,952.00.

A supplemental appropriation for 1978-79 is required to provide for operating expenses of the North Terminal, the Central Heating and Cooling Plant and certain other expenses for the year that were previously not included in the regular budget for 1978-79. The proposed amount of this addition to the budget is \$13,047,952.00.

The Commission normally considers the budget at two meetings, the first of which is a public hearing. Although this item is a request for supplemental appropriation, it is a major addition to the budget and covers items not previously incorporated in the budget.

Airport management is therefore bringing this item before the Commission for preliminary consideration at this time with the anticipation of final consideration at the next meeting.

Mr. Heath said that this is the supplemental appropriation for the operation of the North Terminal for the remainder of fiscal year 1978-79. He said that it includes an additional \$2.1 million in revenue bond interest that was not included in the original fiscal year request. He said that staff is not asking for Commission approval today. He said that the appropriation does not technically require a public hearing but he believes it best to hold a public hearing, ask for comments and then take action at the June 6 Commission meeting.

In regard to the painting maintenance contract for the North Terminal, Commissioner Kadish said that she would like to know for how long the contract would be in effect.

Mr. Heath responded that it would be in effect for one year.

Mr. Ron Wilson, Assistant Deputy Director for Maintenance, said that the \$240,000 was thought to be an appropriate figure to bring the facilities up to standard by outside contractors. He said that this money would be well spent as a one time expense and afterward, hopefully, we would have current staff maintain it. He said that his staff estimated that 1210 man days are needed for the necessary work and based on the current rate of \$135 per man day plus \$27.50 worth of materials per man day and \$48,881 for profit and overhead the total would come out to about \$240,000.

Commissioner Kadish asked if that figure included materials.

Mr. Wilson said that it did and the cost included fringes, etc. for an outside contractor.

Commissioner Kadish said that she would question the magnitude of the figure. She asked whether the Airport was planning to have the painting done by an outside contractor.

Commissioner Bernstein said that the balance of expenses would be recovered by the airlines.

Mr. Bob Bartlett of the San Francisco Chronicle asked how it was possible to overlook a \$13 million budget request.

Mr. Heath said that the expenditures do not have to take place until the opening of the North Terminal.

Mr. Bartlett questioned the painters' rates.

Mr. Wilson suggested that Mr. Bartlett might check with a painter's union for accuracy of the rates.

Mr. David Lilly said that this item is partly bond debt service and the bond schedule calls for payments in May and November.

Mr. Singer said that when the original budget was put together in January, the Airport did not allow for putting money into the November payment which has to be made in May.

Mr. Lilly asked if this item will go before the Board of Supervisors.

Mr. Heath said that it would.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously passed:

- (9) Resolution Approving Professional Services Agreement Touche Ross & Company, \$25,500.00.

No. 78-0138

This agreement covers professional services relative to present and future operations, equipment and related matters connected with public parking facilities at the Airport.

Mr. Heath said that this is the accounting firm that did the management report for the Airport and the current item would have them look at the present money collection and management systems and at computerized systems to determine if those should be put in the garage. Also, this agreement would provide the Airport with a recommendation as to how the garage contract should be structured and how the Airport can be assured that it will get good responsible management. He said that the staff believes Touche Ross is able to do this and he recommends approval of this contract.

Commissioner Kadish asked what was the timetable for completion of the contract.

Mr. Singer said that it would take 60 days.

Commissioner Kadish said that at Miami Airport all cars that are waiting to unload passengers are required to turn off their engines in order to not pollute the air. She said that she believed this was a good idea.

Mr. Heath said that as part of the architectural work on the Central and South Terminals, the Airport would be bringing back Dr. Faustman who is a traffic engineering expert.

* * *

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was unanimously adopted:

- (10) Approval of Professional Services Agreement, Master Architect Services, San Francisco Airport Architects, \$172,000.00.

No. 78-0139

Resolution approving the professional services agreement with the San Francisco Airport Architects to provide master architect services to update the terminal area master plan and to maintain the terminal area master plan on a continuous and current basis, reflecting authorized changes in requirements including changes in Commission, airlines and concessionaire programs; in air transport industry trends; in Commission policies and objectives; and in construction phasing.

Consultant will also review projects in the modernization and replacement program that are assigned to other design architects for conformance with the master plans as well as review all proposals for tenant improvements for established criteria, design standards, and external esthetics.

Mr. Heath said that this is the resolution which the architects need for approval of their work under master architect services. He said that this contract would include publishing a booklet which would have the master plan spelled out so that as changes are made, the master plan can be kept up to date. He said that the maximum amount to be spent would be \$173,000.

* * *

Director's Report

A1. Sound System in Room 282

Mr. Heath called attention to the letter he had received from the Civil Service Commission requesting a better public address system. Mr. Heath requested permission from the Commission to write to Mr. Boas on behalf of the Airports Commission.

* * *

A. Retirement Resolution

Mr. Heath said that Gerry Raye, Head Electrician, had retired and requested a retirement resolution.

Commission President Bernstein so ordered.

* * *

B. Public Information Program Review

Mr. Heath said that San Jose State graduate students have looked at the Airport's public relations program and have presented a report to the staff. He said that the students hope to present the same program to the Commission in June.

* * *

Communications

No discussion of communications took place.

* * *

Introduction of New Business by Commissioners

Commissioner Kadish asked if there was a problem of thefts in the garage.

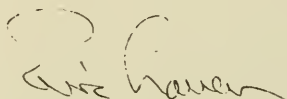
Mr. Mike Bagan, Deputy Director for Operations and Maintenance, said that there is a problem once in a while but nothing serious enough to consider increased security. He said that the only alternative would be video, which would be very expensive and not too effective, since a potential thief could hide behind pillars. He said that the Airport had found that patrolling of the area is the most effective method of discouraging thefts.

Mr. Russell Presting of Onorato Garages said that when they were managing the garage they had discussed the question of TV surveillance and were told that the ceiling is not high enough for effective surveillance.


* * *

Adjournment

There being no further business before the Commission, the meeting adjourned at 3:20 p.m.



Eric Craven
Commission Secretary



San Francisco Tomorrow

9 FIRST STREET · ROOM 826 · SAN FRANCISCO, CA 94105 · TELEPHONE 566-7050

May 17, 1978

San Francisco Airport Commission
San Francisco, California 94128

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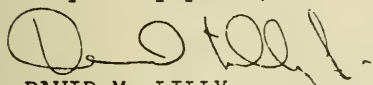
COUNCIL SECRETARY'S OFFICE

Dear Commissioners:

On behalf of San Francisco Tomorrow, I wish to applaud the proposed noise control regulation and urge its adoption.

Attached you will find some proposed amendments which we feel tend to strengthen this regulation. It is our hope that you will seriously consider adopting these amendments.

Very truly yours,



DAVID M. LILLY
Chairman, Airport Commission

DML:ct

Attachment

AIRPORTS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. _____

Part 2 - In order to operate at San Francisco International Airport all commercial jet powered transport type aircraft, subsonic or supersonic, which are of a type not presently operating at San Francisco International Airport must be certified under Federal Aviation Regulations - Part 36 Noise Standards prior to commencing operation.

For the purposes of Parts 1 and 2, "now operating" is defined to mean in regularly scheduled service into and out of San Francisco International Airport within the year immediately preceding the adoption of this regulation.

Part 3 - Airlines certified by the Civil Aeronautics Board or the California Public Utilities Commission to serve at San Francisco International Airport will file at the office of the Director of Airports, San Francisco International Airport, within 90 days of the adoption of this regulation an initial report which contains a listing by aircraft registration number of all aircraft in their respective fleet which operate at San Francisco International Airport,

denoting each aircraft's certification status with respect to FAR Part 36 as implemented by FAR Part 91, Sub-part E.

The Airports Commission recognizes that the airlines must conform to the Part 36 phased compliance schedule in Section 91.305 of Sub-part E, FAR Part 91, on a fleetwide basis. In order to demonstrate

AIRPORTS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. _____

Commission when submitted in writing and accompanied by an Environmental Impact Report prepared by the airline pursuant to the provisions of the California Environmental Quality Act to the Director of Airports, San Francisco International Airport, not later than 60 days prior to the time the variance, if granted, would become effective. Requests for a variance must show the type of variance being requested, the effective time frame of the variance and the basis upon which the variance is sought.

Requests for variances will be heard by the Airports Commission at regularly scheduled meetings. Notice of the time, place and subject matter of the consideration of the request for variance will be published in the official minutes of the meeting of the Airports Commission not less than thirty days prior to that Airports Commission Meeting wherein the request for variance will be considered. In addition written notice of such meetings will be published in local newspapers of general circulation 30 days prior to the variance hearing.

AIRPORTS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. _____

At the Airports Commission Meeting considering the request for variance, the airline operator requesting the variance and interested members of the public may present evidence relevent (sic) to the determination of the existence of good cause.

Good cause will be found to exist if it is determined that the granting of the variance satisfies the public interest. In weighing the public interest the Airports Commission's consideration includes but is not necessarily limited to the following:

- A) The adverse environmental impact of granting a variance including, but not limited to, the effect of "single event" incidents of noise generated by the aircraft for which a variance is sought.
- B) The economic and technological feasibility of complying with the noise control regulation of San Francisco International Airport.
- C) The noise impact at San Francisco International Airport with respect to Title 21, Sub-chapter 6,

of the California Administrative Code should the variance be granted.

- D) The value to the public of the services for which the variance is sought.
- E) Whether the airline operator is taking bona fide measures to the best of its ability to comply with these regulations.

The burden of proof shall be upon the applicant for a variance. The Airports Commission in granting a variance may impose reasonable conditions which it deems necessary to accomplish the purposes of these noise control regulations.

Among the conditions which may be imposed are the following:

- A) Curfew restrictions.
- B) Limitation of the number of operations.
- C) Load limitation.
- D) Limitations on the number, duration and/or time of day of engine testing (run-up).

In no event will a variance exceed one year from its effective date. Thereafter, should a renewal be sought,

the air carrier seeking a renewal will be required to
comply with all provisions of this regulation.

AIRPORTS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. _____

Notice of the decision of the Airports Commission on the requested variance will be made in writing by the Director of Airports to the aircraft operator prior to the effective date of the variance.

No variance will be considered which requests relief from the provisions of FAR Part 36 or FAR Part 91 as they apply to this Airports regulation unless a variance from the provisions of FAR Part 36 and FAR Part 91 has been previously granted to the airline operator by the appropriate Federal agency. Under no circumstances will the Airports Commission extend the time of compliance with the Regulation beyond January 1, 1985.

6. ENFORCEMENT

The Airports Commission in and for the City and County of San Francisco and pursuant to the authority granted by the State of California, shall reserve the right to revoke or suspend any and/or all operating permit(s) or license(s) granted by the Airports Commission to any airline operation and will do so when it has been determined that said airline has not complied with the provisions set forth herein.

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

JUNE 6, 1978

JUN 11 1978

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Vice-President

WILLIAM E. McDONNELL

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

June 6, 1978

Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m. in Room 282, City Hall, San Francisco.

Roll Call:

Present: Commissioners Morris Bernstein*,
Ruth S. Kadish, William E.
McDonnell, Zuretti L. Goosby.

Absent: Commissioner William K. Coblentz

Pledge of Allegiance: Led by Commissioner Goosby.

* * *

Calendar Items:

- (1) Approval of Professional Services Agreements, Modernization & Replacement Phase of the Airport Expansion Program, \$2,598,500.00.

On motion of Commissioner McDonnell, seconded by Commissioner Goosby, the following resolution was unanimously adopted, in principle:

No. 78-0140 Resolution approving professional services agreements with various architects/engineering firms to provide professional services on specific projects in the Modernization and Replacement Phase of the Airport Expansion Program.

Mr. Richard Heath, Director of Airports, said that this is a resolution which approves professional services agreements with various firms for work which includes the West Addition to the South Terminal, modifications to the Central Terminal building, construction of connectors to the North & South Terminals, boarding areas, pedestrian bridges, the South Terminal East Addition and field exploration, sampling, testing, inspection as well as foundation engineering design and advisory services for projects. He noted that the contracts with San Francisco Airport Architects and Associated Geotechnical Engineers, Inc. would last through the entire Modernization and Replacement Phase.

Commissioner McDonnell requested that the financing of these projects be reviewed. Mr. Heath said that financing will be available either from the Series A Revenue Bonds or the 1967 General Obligation Bonds.

Arrived during discussion of the first Calendar Item at 2:37 p.m., having just come from a meeting of Commission presidents.

Commissioner Kadish said that she understood that the money in the 1976 Bonds was earmarked for specific programs, and wondered if the Airport would be within its rights to use that money for the items under consideration.

Mr. Heath said that it was his understanding that sufficient funds are available.

Ms. Mary Callanan, Chief Accountant, said that the Airport has used 1967 bond funds for projects which are a part of the \$143,000,000 Series A projects; these expenditures can be transferred to the 1976 bond fund, thereby releasing funds from the 1967 Bond Fund for certification of these contracts. She said that it was an accounting mechanism which would provide funds for these architectural and engineering services.

Commissioner Kadish said that, in other words, 1967 G.O. Bond money could be used where 1976 Revenue Bond money could not be used. She said she thinks it is very important to have that matter checked out. She said that she had some additional questions, the first of which concerned the terms of the contracts as well as the dollar amounts. She said that with Gensler & Associates and the Anshen & Allen contracts, the term of the agreement is not spelled out, nor are the amounts of the contracts stated.

Mr. Heath said that these contracts are not the same as those used in the past. He said that when these firms made their presentation to the Airport, they indicated that they wanted to work on an hourly basis because no one knew how much work would be needed. He said that the Airport was not sure how much earthquake protection was needed, or renovation, etc. Mr. Heath said that it was decided to have a contract that would go through the schematic phase and then a fixed-fee contract would be negotiated at that time, once the scope of the work was determined.

Commissioner Kadish asked if there could be a figure set that was not to be exceeded. She said that it would seem that a contract which leaves out any statement relative to financial expenditures is a loose contract.

Mr. Heath said that this is a specific contract for a specific type of work. He said that for the second phase, there would be a whole new contract with a fixed amount.

Commissioner Kadish said that another question she had related to the proposed contract with Willis & Associates, page 2, Section B. She said that the Willis contract allows for one nine-week period, plus another three-week period from the date Willis is given notice to proceed. She said that this would be approximately four months from the date Willis was given notice to proceed. She asked why Willis got that much more time when the other contracts require that the firms have their work completed four months from the date of signing.

Commissioner Kadish said that another question she had related to the proposed contract with San Francisco Airport Architects, page 2, item 2, d; page 3, item 3, e; and page 4, item 4, e, where the word "reasonable" was used. She said that she recommended that the word should be further clarified or deleted.

Mr. Heath said that the word is a word of the art in legal matters. He said that it was used to eliminate "unreasonable" and that he does not think any contractual problems would arise.

Mr. Dave Kroopnick, Deputy City Attorney and Acting Airports General Counsel, said that he had advised that the word should be deleted in most cases. He said that it should be assumed that the Commission would act in good faith.

Commissioner Kadish said that she would like to address some questions to Mr. Howard Friedman, an architectural and engineering consultant to the Airport. She referred him to the proposed contract with Airport Architects, p.4, item 6, c, where it says that the consultant shall make visits to the site to determine if work is proceeding as stated. She said that there is a question as to who is really responsible: the consultant, the architect, or construction management.

Mr. Friedman said that construction management and contractors services include inspection necessary to give the contractor reasonable knowledge of the work, the amount of completion of the work, etc. He said that it was important that full time inspection be had in order to assure that work was being done in accordance with plans and specifications. He said that the work could best be done in a different arrangement from that which is currently in use, an arrangement which would allow the architect to exercise more control and review than in the past. Mr. Friedman said, though, that the language to which Commissioner Kadish referred was normal architectural jargon.

Commissioner McDonnell asked Mr. Friedman if he envisioned the need for a construction management team.

Mr. Friedman answered that the Airport was looking for a project that meets design, program and budget needs and gives full value. He said that the architects needed their own full-time inspector. He said that construction management could assist with their own estimating and inspection people.

Commissioner McDonnell said that he thought this point was well taken and asked what policy the staff was planning regarding architectural and construction management.

Mr. Heath said that the staff had not come to a decision on that. He said that Mr. Robert Lee, Deputy Director, Planning and Development, will be reviewing the plans and will make a report to the staff. He said that he had not gotten into the inspection programs yet but would when the Airport was close to the construction phase. He said that if there is a change required to give the architects additional responsibility, it would be made, although as the contracts are now drawn, they continue in the present arrangement. He said that if the contracts were changed, that area of responsibility would go to either the staff or architects; and if it was shifted to the architects, there would have to be a change in the contract. He said that regarding all these projects, construction was at least a year off.

Commissioner Kadish asked Mr. Kroopnick if he felt comfortable with the contracts; she asked how much staff time had been spent going over the contracts.

Mr. Kroopnick said that he had spent a day and a half and would like more time. He said that there had been several drafts and that he didn't believe the latest suggested changes had been incorporated into the new documents.

Commissioner Kadish said that she did not want delay, but she was concerned about contracts that have not been entirely gone over by the legal staff. She said that she was concerned about approving documents that were not final, but were "in the works". She

said that the Airport recognizes that contracts need to be amended but if the homework is done, it would minimize the numbers of amendments in the future because we would have a clean, standard form in which terminology is clear.

Commissioner Kadish said that additionally, she was concerned that there was not a meshing between the energy planning and the schematics. She said that it would be her recommendation that approval be put off until the next meeting when the Commission would have the final documents.

Commissioner McDonnell asked Commissioner Kadish if she felt that it would be possible to get the Willis contract going.

Commissioner Kadish said that she didn't think any architects should assume that the projects are not going ahead, but she said that there are several things in the Willis contract that are repetitive.

She said that none of the four firms involved should assume there would be any question of proceeding, but there was a problem with the clarity of the contracts, especially the terminology, and it should be clarified.

Mr. Heath said that if a decision was delayed, the Commission would be putting off the start of the contract for two weeks.

Commissioner McDonnell asked if it would be possible to approve it with the understanding that the form would be cleaned up.

Commissioner Kadish asked Mr. Kroopnick if he had gone over the Willis contract. Mr. Kroopnick said that he thought that on page 4 a specific amount had to be inserted. He said that other than that, he thought this contract could be approved in principle. He said that getting a good contract was a matter of rearranging some of the terms. He said that if specific amounts were incorporated into page 4 and an addition made that the total amount could be increased only by appropriate amendments of the document that then it would be satisfactory. He said that he felt that the documents could be cleaned up and back to the Commission by the next meeting.

Commissioner McDonnell said that Mr. Lee should note all the points brought up and the changes should be made and coordinated with the City Attorney's office. Commissioner McDonnell said that he would suggest that the Commission go ahead and approve all the agreements.

Commissioner Kadish asked what the urgency was in moving ahead if the standards had not been set.

Mr. Lee said that standards are not needed until the architects get to the schematic stages. He said that some work on the seismic condition of the terminal was needed immediately. He said that during the development, there would be weekly or bi-weekly meetings with all the consultants so that by the time they made their final draft, they would be quite familiar with the program.

Commissioner Kadish asked if Mr. Friedman was in agreement that the standards had to be set first before plans were developed.

Mr. Friedman said that he was very much in agreement.

Commissioner Kadish said that if the Commission was approving these documents in principle, then she felt that could be done at the current meeting.

Mr. Heath said that the staff would bring the documents back with the final form.

Commissioner McDonnell asked whether under the San Francisco Airport Architects contract, the firm would be in the same management position as in the past.

Mr. Len Blackford of Airport Architects said that the work under consideration at present is only for construction documents and doesn't apply to the construction itself.

Commissioner Goosby asked if the Airport had a permanent construction management firm or would it hire a new one.

Mr. Heath said that the Airport had a five year contract with the present firm.

Commissioner Kadish said that the resolution should be amended by adding the words "in principle". She said that the contract form should be standardized and dollar amounts added and the corrected versions should come back in two weeks.

Commissioner McDonnell said that he suggested Commissioner Kadish be closely involved with changes in the contracts.

* * *

) Bid Call for Airport Contract No. 1161, Remodeling Fifth Floor Offices, Central Terminal.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0141	Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids on Contract No. 1161, Remodeling Fifth Floor offices, Central Terminal.
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Mr. Heath said this resolution approves going to bid to remodel the fifth floor offices.

Commissioner McDonnell asked whether this was an area which had been previously remodeled. Mr. Heath said that it had not been.

* * *

) Airport Contract No. 1126R, Rejection of Bids, Industrial Wastewater Collection System, Phase III.

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolution was unanimously adopted after discussion in executive session.

No. 78-0160	Resolution rejecting all bids for Contract No. 1126R, Industrial Wastewater Collection System, Phase III.
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Mr. Heath said that the Airport had received two bids. He said that due to some attempts to change bids after they had been submitted, Mr. Kroopnick indicated that it would be best to reject all bids.

Mr. Lee said that this was the second rejection of this contract. He said that the first time everyone overbid and on the second bid we only got two bidders and they were slightly over the engineer's estimate.

Mr. Heath said that in light of the possibility of litigation, discussion should be postponed until after other agenda items when this item would be taken up in executive session of the Commission.

* * *

- 4) Modification No. 36 (Debit), Airport Contract No. 650C, Completion of North Terminal Building, \$30,112.00.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0142	Resolution approving and requesting the Controller's certification of Debit Modification No. 36 to Airport Contract No. 650C, in the total amount of \$30,112.00 for providing redesign and installation of fire protection system, including hydraulic calculations, at grid lines E and F between column lines 95 and 107 in the basement level.
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Mr. Heath said that this was a modification of the North Terminal building fire protection system in the basement area.

* * *

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolutions were unanimously adopted:

- 5) Modification No. 37 (Debit), Airport Contract No. 650C, Ratifying Action of the Director of Airports Change Orders Completion of North Terminal Building, \$22,407.00.

No. 78-0143	Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 109 and 124 and requesting the Controller's certification of Modification No. 37 to Airport Contract No. 650C, in the total amount of \$22,407.00, for providing additional zonolite insulating concrete on low roofs and revisions to hardware schedule including electrical powered door alarm device at door 266 for increased security protection.
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- 5) Modification No. 9 (Debit), Airport Contract No. 925, North Terminal Aprons and Reconstruction of Taxiways "S" and "SS", \$3,498.00.

No. 78-0144	Resolution approving and ratifying the action of the Director of Airports in approving Change Orders Nos. 925-16 and 925-17 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 9 in the amount of \$3,498.00.
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- (7) Modification No. 1 (Debit), Airport Contract No. 941, Improvements to Sewage Pumping Station No. 1, \$1,646.00.
- No. 78-0145 Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 941-1 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 1 in the amount of \$1,646.00.
- (8) Modification No. 26 (Debit), Airport Contract No. 950, Boarding Areas H & I and Connectors, \$15,894.00.
- No. 78-0146 Resolution approving and requesting the Controller's certification of Modification No. 26 to Airport Contract No. 950, in the total amount of \$15,894.00.
- (9) Modification No. 27 (Debit), Airport Contract No. 950, Boarding Areas H & I and Connectors, \$32,212.00.
- No. 78-0147 Resolution approving and requesting the Controller's certification of Modification No. 27 to Airport Contract No. 950, in the total amount of \$32,212.00.
- (10) Modification No. 26 (Debit), Airport Contract No. 1000, Ratifying Action of the Director of Airports on Change Orders, Garage: Stage IV - Superstructure Addition, \$16,400.00.
- No. 78-0148 Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 69 through 79, and requesting the Controller's certification of Modification No. 26 to Airport Contract 1000, in the total amount of \$16,400.00.
- (11) Modification No. 28 (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$102,670.00.
- No. 78-0149 Resolution approving and requesting the Controller's certification of Debit Modification No. 27 to Airport Contract No. 1000, in the total amount of \$102,670.00.
- (12) Modification No. 4 (Debit), Airport Contract No. 1015, Ratifying Action of Director of Airports on Change Orders, Garage: Stage V - Final Modifications, \$17,742.00.
- No. 78-0150 Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 7 through 10, and requesting the Controller's certification of Modification No. 4 to Airport Contract No. 1015, in the total amount of \$17,742.00.

- 13) Modification No. 1, Airport Contract No. 1098R, Emergency Airfield Pavement Repairs, Extension of Time.

No. 78-0151

Resolution approving Modification No. 1, extending the completion date 90 calendar days from June 30, 1978 to September 28, 1978, at no additional cost to the City.

Mr. Heath said that the reason there are so many modifications is that the staff had requested CMC to get in all the modifications they could for the current meeting. When asked if this was all of the modifications before completion of the North Terminal, Mr. Heath said that this was the bulk of them, although there are still a few more.

Commissioner McDonnell asked if Mr. Heath could inform the Commission and the public as to the projected date for opening the North Terminal. Mr. Heath said that the Airport will not be able to open the North Terminal this fall because it would be too close to the Christmas rush and United Airlines would not want to be moving during that period. He said that United will be moving around January 10 and the opening will be about February 10, 1979.

* * *

- 14) Tenant Improvement: United Airlines Maintenance Operations Center, Replacement of Fire Mains, \$400,000.00.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0152

Resolution approving the final plans and specifications submitted by United Airlines showing the proposed replacement of fire mains serving the B-29 hangars at the Maintenance Operations Center.

Mr. Heath said this is a tenant improvement, which will be paid for by United Airlines without rental credit.

* * *

- 15) Aircraft Noise Bill

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0153

Resolution supporting Congressman Glenn Anderson's Airport Noise Bill and opposing Senator Howard Cannon's Bill, S.B. 3064.

Mr. Heath said that he is requesting that the Commission adopt this resolution opposing the Cannon Bill. He asked that this resolution be approved and he will send copies to the Mayor and the Board of Supervisors.

Mr. David Lilly, representing San Francisco Tomorrow, stated his opposition to any of the Calendar items numbered 15 through 20, since public notice was not given until the time of the Commission meeting. He asked that these items be put off until the next meeting.

Mr. Eric Craven, Secretary to the Airports Commission, said that the additional items to the Calendar, Items 15 through 20, had only been finished the day before.

Mr. David Kroopnick said that the notice was adequate since this is a regular meeting of the Commission.

Mr. Heath said that he could appreciate Mr. Lilly's desire to receive the agenda ahead of time, and that in the future, the Airport will try to get items to people who appear regularly so that they will have a chance to consider them.

Commissioner Kadish said that for those Commissioners who work on the material they receive, it is important that the Commission packets be delivered by the Thursday before the Commission meeting.

* * *

(16) Possible Extension of BART to the Airport

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0154	Resolution urging a maximum effort to obtain an extension of BART or an equivalent mass transportation facility from downtown San Francisco to the Airport.
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Mr. Heath said that he had met with people from BART and they felt the Airport's position was unclear. Consequently, he thought that it was appropriate to have the Commission reiterate its policy.

Commissioner Kadish said that she was surprised that the hole in the ground under the parking garage was not statement enough relative to BART. She said that with the extra millions it cost to make the garage ready to receive BART, she was surprised that BART didn't clearly understand the Airport's position.

Commissioner McDonnell suggested that this action should be taken every year but should really not be necessary since San Francisco has invested more money than any other community in BART.

* * *

(17) Public Hearing on Supplemental Appropriation for 1978-79, \$11,550,752.00.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0155	Public hearing on proposed revenues and expenses incidental to the operation and maintenance of the North Terminal, the Central Heating and Cooling Plant, and certain other expenses for fiscal year 1978-79.
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Mr. Heath said that when the Commission approved the regular budget for the Airport, City rules did not allow the Airport to include money for items and activities which would begin after the start of the fiscal year, July 1; such things as the North Terminal which would start operation during the fiscal year, but would not be operating at the beginning of the fiscal year. He said that the Commission indicated at that time that the Airport would be back to

the Board of Supervisors for additional money for costs related to the North Terminal. He said that Mr. Pete Singer, Deputy Director for Business and Finance, would answer any questions.

Mr. Singer said that this item was carried forward from the previous Commission meeting in conformity with the general procedure of having two readings of a budget matter.

Commissioner McDonnell said that he would like some information regarding the new employees listed on Page 41, item 471. He felt that the number of employees requested for the North Terminal was excessive.

Mr. Heath said that these employees would also be used when the South and Central Terminals have been remodeled. He said that sufficient personnel is needed to direct traffic and patrol the airfield. He said that if the Airport lacked sufficient personnel, it might be liable in a suit.

Commissioner McDonnell said that there should be working sessions with the Commission and the staff regarding the projected budget, so that the Commissioners could help get the budget through the Board of Supervisors. He said that he felt it was important that what the Commission asked for not be excessive.

Mr. Singer stated that there is an indication for a need to reorganize the security forces at the Airport.

Mr. Parskey of the International Association of Machinists, and a 15-year employee at the Airport, said that more safety officers were needed.

Mr. Heath said that there are some areas around the Airport that have not been painted for sometime and really look terrible. Commissioner McDonnell asked if one area was on the south side of the Central Terminal and was told that it was.

Mr. Singer said that there are a number of items in the appropriation that do not apply to the North Terminal and that this had been mentioned at the previous meeting. Mr. Singer also distributed some additional information to the Commissioners on additional items for the appropriation that increased the total by \$65,360, from \$11,485,392.00 to \$11,550,752.00.

* * *

(18) Public Hearing on Airline Landing Fee and Terminal Space Rates for 1978-79.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0156

Resolution adopting a schedule of rates and charges for landing fees and terminal space rates for 1978-79.

Mr. Heath said that the Airport staff proposed a rate increase in each of the categories, for landing fees, from the current \$0.48 to \$1.03. He said that in order to fund the waste water treatment plant and improvements to the international arrival area, it is proposed that there be a special charge of \$0.85 for the first year and \$0.69 for the second year. He said that as soon as the \$90 million bonds were sold, these charges would be dropped.

Mr. Heath said that he had received a telegram from Mr. Chamberlin of Delta Air Lines objecting to the discount which is part of the current schedule of landing fees. Mr. Heath said that he had discussed this with Mr. Chamberlin on the phone and told him that the landing fee agreements signed by all airlines precluded the Airport from changing the graduated rate provision at this time, but that it might be considered by the airlines and the Airport in the future.

Commissioner McDonnell asked what the opinion of the Airlines Policy Committee was on the proposed fees and rates. Mr. Heath said that the airlines have not expressed a formal opinion and there are differing opinions among the airlines.

Mr. Thomas Welch of Brobeck, Phleger & Sussman, representing the airlines, said that the airlines protested both the increase in landing fees and the increase in space rental rates. He said that the need for increases was because of an illegal diversion of funds from the Airport to the General Fund of the City of San Francisco. He said that the Airport Director had said that the airlines would be reimbursed for the special charges collected, but the current version of the resolution does not specify this; rather, it says that those funds which have not been expended will be credited back to the airlines.

Mr. Heath said that if the funds had already been spent, it certainly would not apply.

Commissioner McDonnell asked if the airlines were protesting the supplemental appropriation.

Mr. Welch said that he could not say as he had just received a copy of it.

Commissioner McDonnell said that the whole point is that if we move ahead with the bond sale, then there wouldn't be any problem.

Mr. Heath said that if the bond sale goes ahead, the special charges would not go into effect.

Mr. Welch reiterated the airlines' position that they protest any increases at all on the basis of the fact that there have been illegal diversions of funds.

Mr. Singer said that the \$1.03 landing fee base rate does not include any allowance for debt service on Series B bonds.

Mr. Lilly said that at the time the \$90 million bonds was postponed, he had requested that if the matter was to be revived, it should be brought back for a public hearing. He said that he is hoping that that will be the case.

Mr. Heath said that he doubted if the bond sale would go ahead in the next few weeks.

* * *

19) Supplemental Appropriation, Accident Compensation, \$21,000.00.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0157

Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$21,000.00 to provide additional funds required for payment of worker's compensation and medical fees in connection with industrial accidents.

Mr. Heath said that these are various claims that have caused the Airport to go over its budgets.

* * *

- (20) Settlement of Litigated Claim of F. P. Lathrop Construction Company, Contract 569 - Airport Maintenance Facility.

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0158

Resolution allowing the City Attorney to settle the litigated claim of F. P. Lathrop Construction Company for \$60,000.00.

This item was discussed in Executive Session by the Commission

* * *

Director's Report

Due to the length of the previous discussion, certain items listed in the Calendar under Director's Report were not discussed.

C. Medical Clinic

Mr. Heath said that the contract runs out July 1. He said that Dr. Smookler is on vacation and Mr. Heath wanted Dr. Smookler present for the discussion. Mr. Heath said that the contract was planned to be put over until next meeting but that would be after July 1. He said that we could continue the contract on a month-to-month basis and if changes are to be made, they should be discussed when Dr. Smookler has returned.

* * *

D. Space Allocation in the North Terminal

Mr. Heath said that the staff wants the Commission to give thought to space allocations. He said that certain space has been obligated but contracts and leases have not yet been signed.

Commissioner Kadish asked to hear what has been planned to date.

Mr. Singer issued maps, leases, etc., to the Commissioners and pointed out areas on maps that had been leased, and those not yet leased but under consideration for specific activities.

Commissioner Kadish said that she would like a proposal as to how areas would be put out to bid and how we would get prospective tenants.

Commissioner Goosby said that he assumes that the master lease or contract allows the Airport to make suggestions as to whom areas can be subleased.

Mr. Heath said that, as an example, if we wanted to have a juice bar, it would have to be contracted with Host.

Commissioner McDonnell said that he would like to explain the reasons why the Airport has exclusive leases. He said that in the Central Terminal we have now a newsstand, fast food service, cocktail lounges.

and two restaurants. He said that as soon as United has moved, there would be a cut in traffic. He said that if those same tenants are in the North Terminal, there would be a possibility of picking up customers. Commissioner McDonnell said that one example is the food service. That was put in the International Rotunda because the Commission insisted on it. He said that the numbers of people going through there did not warrant it, but the profits in one place made up for the slack in another. He said that this policy was set up many years ago.

Commissioner Bernstein asked what was the process that was set up for selecting concessionaires for locations.

Commissioner McDonnell explained that the staff had a list of the slots and suggestions of what would be right for various slots.

Commissioner Bernstein asked if the Airport had any subleases now and was told by Mr. Singer that it did not, at least not in the terminal area.

Mr. Heath said that the staff would bring the matter back to the Commission. He said that Mr. David Ellis had a few comments on the sublease matter.

Mr. David Ellis, representing Skyline Candy and Gifts, said that he has had some discussions with Mr. Kroopnick about what the rights of an exclusive tenant in the terminal area are. He said that it was his opinion that Skyline Candy's exclusive contract would cover the North Terminal as well as the existing terminal. He said that his client does desire to go into the North Terminal and that his client's advice should be sought in connection with the plans, but they are concerned about where they can go at this point. He said that with the departure of United from the Central Terminal the area will be less valuable. He said that he would encourage the staff to take care when looking at that question, and be sure to take into account the economic possibilities.

Commissioner Kadish said that she would like to discuss this with him. She said that the people along Market Street suffered during the Market Street reconstruction, their businesses were affected, but it was part of progress and the same thing holds for Airport tenants who might be affected during reconstruction of various terminals.

Commissioner Bernstein said that with more attractive prices, his client might be able to attract more people. Commissioner Bernstein said that it is the intention of this Commission to see that the Airport has the best products at the best price.

* * *

Retirement Resolution: Clyde Volens

The Commission approved the issuance of a retirement resolution to Mr. Clyde Volens.

* * *

The Commission then went into Executive Session and following discussion unanimously passed Calendar Items (20) and (3).

* * *

There being no further business, the meeting adjourned at 5:20 p.m.

Eric Craven
Secretary
Airports Commission

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JUNE 20, 1978

GEORGE R. MOSCONE, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION MEETING

June 20, 1978

1. Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m. in Room 282, City Hall, San Francisco, California.

2. Roll Call:

Present: Commissioners Morris Bernstein,
Ruth S. Kadish, Z. L. Goosby.

Absent: Commissioners William E. McDonnell,
William K. Coblentz.

3. Pledge of Allegiance

4. Approval of Minutes:

The Minutes of the Airports Commission meeting of April 18, 1978 were approved.

* * *

5. Secretary's Report on Items Passed in Commission Executive Session, June 6, 1978.

The Secretary to the Airports Commission, Eric Craven, gave a report on the items that were approved in executive session on June 6, 1978. He reported that both Items No. 20 and Item No. 3 were unanimously passed. A copy of his statement is attached to these minutes.

* * *

6. Calendar Items

(1) Supplemental Appropriation: Judgments & Claims, \$60,000.00

On motion of Commissioner Kadish, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0161

Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$60,000.00 to provide funds for payment of the settlement of the litigated claim of F. P. Lathrop Construction Company against the San Francisco International Airport.

Mr. Peter Singer, Acting Director of Airports, said that the Commission had approved the item in executive session at its last meeting, but the Airport did not have sufficient money and would have to ask for a supplemental appropriation for \$60,000.

* * *

- (2) Completion of Professional Services Agreement, Interactive Resources, Inc., Solar Energy Feasibility Study, \$4,046.20.

On motion of Commissioner Kadish, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0162

Resolution accepting the work as satisfactorily completed by Interactive Resources, Inc., for the making of Solar Energy Study at the Airport, including the preparation of an application and proposal for a demonstration grant with the U.S. Department of Energy, and requesting the Controller to certify and make final payment in the amount of \$4,046.20 to Interactive Resources, Inc. of Point Richmond, CA 94801.

Mr. Singer said that the solar energy study had been undertaken by Interactive Resources, Inc. upon approval of the Commission at its November 15 meeting last year and now the work has been satisfactorily completed.

Commissioner Goosby asked if we have heard from Washington yet about the grant.

Mr. Lee, Deputy Director, Planning/Development, said that we have not, but the Airport expects to hear by the end of July.

Commissioner Kadish said that the Commission had asked for a progress report on the state of energy programs at the Airport. She said that the Commission had not received any information or a copy of the grant proposal.

Commissioner Goosby asked if the solar installation would be going on the roof and was told it would be going on the roof of the South Terminal West Addition.

Commissioner Kadish said that she would like Interactive Resources to make a report to the Commission.

Mr. Lee said that he would try to arrange for a report. Additionally, he said that he had a call from Mr. Alden Bryant of the Mayor's Office who said that he was going to try to follow through for the Mayor's Office on getting Washington to approve the grant.

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- (3) Modification No. 4 (Debit), Airport Contract No. 937R, Industrial Wastewater Collection System, Phase I, \$1,098.00.

On motion of Commissioner Kadish, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0163

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 937R-5 and 937R-6 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 4 in the amount of \$1,098.00.

Mr. Singer said that this particular modification encompasses three items in two change orders and that it was the staff's recommendation that it be passed.

* * *

- (4) Modification No. 28 (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$24,713.00.

On motion of Commissioner Kadish, seconded by Commissioner Goosby, the following item was placed before the Commission for discussion; subsequently no action was taken on it and it was removed from the agenda:

Resolution approving and requesting the Controller's certification of Debit Modification No. 28 to Airport Contract No. 1000, in the total amount of \$24,713.00.

Mr. Singer said that this relates to the cooling tower louvers. He said that it was originally believed there would not be a problem of water spray but that after further consideration, it was felt that the chemically treated water might land on cars and these louvers would protect cars in the garage from the spray.

Commissioner Kadish asked what was the size of the stainless steel louvers.

Mr. Robert Lee said that they were 6 feet by 7 feet.

Commissioner Kadish asked what investigation had been undertaken to determine if the price of \$4,000 per louver was justified.

Mr. L. Grindheim of Construction Management Company said that his company's estimates were higher than the construction company's estimates. He said that not only CMC, but Airport Architects had reviewed this item and found it justified.

Commissioner Kadish asked if we were to complete the job and the Airport then were to take a separate bid for this item might the Airport not come out with a better price.

Mr. Len Blackford of Airport Architects said that he doubted it. He said that this was the recommendation of his mechanical engineer.

Mr. Lee said that if the louvers are not installed the Airport may be liable.

Commissioner Kadish asked if the garage would be used before the cooling tower is in use.

Mr. Grindheim said that the garage would be in use long before the cooling tower. He added that this is a minimum installation, considering some of the more elaborate solutions suggested for the problem.

Commissioner Bernstein asked if it wasn't apparent when the plans were drawn that the water would come down.

Mr. Grindheim said that it wasn't clear if the louvers would be necessary.

Commissioner Kadish asked if the contractor would guarantee that the louvers were necessary.

Mr. Blackford said that his firm had started out opposing the louvers but then they had considered it further and changed their minds because they decided that under certain wind conditions the spray might come down.

Commissioner Kadish asked Mr. David Kroopnick, Deputy City Attorney and Acting Airports General Counsel, what his opinion was.

Mr. Kroopnick said that he would have to take a closer look at it to determine who might be legally liable.

Commissioner Kadish said that we should put the item over until we see who will be liable.

Commissioner Bernstein stated that the item would be put over until the next meeting while the City Attorney made a legal determination.

* * *

- (5) Modification No. 29 (Debit), Airport Contract No. 1000, Ratifying Action of the Director of Airports on Change Orders, Garage: Stage IV - Superstructure Addition, \$15,479.00.

On motion of Commissioner Kadish, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0164

Resolution approving and ratifying the action of the Director of Airports in approving Change Order 81 and 82, and requesting the Controller's certification of Modification No. 29 to Airport Contract 1000, in the total amount of \$15,479.00.

Mr. Singer said that this item encompasses a number of change orders.

Commissioner Kadish asked how the figures were arrived at under Change Order 80.

Mr. Grindheim said that Airport Architects had requested a new color plan which necessitated new color samples. He said that the contractor quoted a price of \$443.00 but due to mark-ups it now had gone to \$587.00. He said that the paint samples were enamel baked on pieces of metal.

Commissioner Kadish asked whose paint is being used. She said that manufacturers always make a sample free on cardboard and if the paint manufacturers were to be given 5 pieces of metal by the Airport, they would make them free on the metal. She asked how many colors were samples made for.

Mr. Grindheim said that there were seven colors.

Commissioner Kadish said that one would get the impression that we have paid \$3,500 for samples. Mr. Grindheim said that there were many colors at first, but now they were down to one.

Commissioner Kadish said that she cannot approve this until it is investigated further to see whether the manufacturer will do the samples free if we provide the material.

Mr. Lee said that the original colors were approved by the Architect but now they have changed their minds.

Commissioner Bernstein asked if the Commission hadn't already approved the color to be used.

Mr. Grindheim said that they hadn't in this case.

Commissioner Kadish suggested they approve the rest of the modification with the deletion of Change Order 80.

* * *

- (6) Modification No. 5, Airport Contract No. 1015, (Credit), Garage: Stage V - Final Modifications, \$42,020.64.

On motion of Commissioner Kadish, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0165	Resolution approving and requesting the Controller's certification of Credit Modification No. 5 to Airport Contract 1015, Garage: Stage V - Final Modifications, in the total credit amount of \$42,020.64.
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Commissioner Goosby asked for an explanation of Contract 1015.

Mr. Grindheim briefly explained the contract and said that the Airport will have use of the entire garage before the end of the year.

Mr. Len Blackford of Airport Architects said that the existing garage needs quite a bit of work to bring it up to code and that this is what these modifications are for.

* * *

- (7) Tenant Improvement: Bank of America North Terminal Branch, \$40,000.00.

On motion of Commissioner Kadish, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0166

Resolution approving the final plans and specifications submitted by the Bank of America, showing the proposed bank office in the North Terminal.

Mr. Singer said that the Bank of America's proposed branch is on the mezzanine area of the North Terminal and that this item is for acceptance of the B of A's proposed schematics. He said that the estimated cost is \$40,000 and that the plans have been approved subject to certain modifications. The Bank of America architect, with the use of maps, explained the work to be done.

* * *

- (8) Modification No. 1, Professional Services Agreement, San Francisco International Airport Medical Clinic.

On motion of Commissioner Kadish, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0167

Resolution approving modification No. 1 to Professional Services Agreement, San Francisco International Airport Medical Clinic.

Mr. Craven called attention to the fact that there is a misprint in the published Calendar and the Calendar item explanation should read "not to exceed three months" rather than as it was printed (which reads "not to exceed six months").

Commissioner Goosby asked how long the Clinic had been in operation.

Mr. Singer noted that he had developed a report on the operations of the Clinic. He said that it has been operating for three to four years and that the last couple of years the Airport has asked the Clinic to undertake a 24-hour service; the a.m. shift is supervised by a registered nurse only; there is a physician on call, but the RN is stationed in the Clinic.

Commissioner Goosby asked how many people make up the whole complement.

Mr. Singer said that there are a number of people who are there on a consultant basis and as he recalled there were three paid doctors as well as three principals. He said that the three principal physicians are partners who hire some physicians on salary.

Commissioner Kadish said that perhaps Mr. Singer could send a copy of the report to Commissioner Goosby.

Mr. Singer said an attempt had been made to prepare a statistical record of the past 12 months' operations. He said that this had been sent to Commission members some time ago and that he would send a copy to Commissioner Goosby.

Commissioner Goosby asked if it is customary at most airports to have a permanent staff of physicians.

Mr. Singer said that it was not and, in fact, was quite unusual. He said that is is unusual to have the clinic located in a terminal area; there are three or four other airports that have medical services located on the property but not in the terminal areas. Additionally, he said that San Francisco Airport is one of the few airports with a 24-hour clinic.

Commissioner Goosby said that the Airport should investigate to see whether it is worth spending that money; what the subsidy covers; and where the clinic is making or losing money. He said that, apparently, someone years ago had seen the need for a clinic. He said that he would appreciate having Mr. Singer's report.

Commissioner Kadish said that it would be a good idea for Commissioner Goosby and Dr. Smookler to meet one another.

7. Director's Report.

A-1. Meat Sales to Passengers.

Mr. Singer said that there have been inquiries regarding the sale of frozen meat on Airport premises. He said that currently there are four companies selling meat to tourists and that additionally, two tenants have asked permission to sell meat: the florist and the Duty Free Shop. He said that the four companies presently serving tourists represent themselves as taking orders off premises, but the Airport has been having trouble with these companies because there have been occasions in which passengers have been solicited at the terminal. He said that it was his feeling that the Airport should approve one, two or more of these companies for taking orders in return for a percentage of sales. He said that he would like the sense of the Commission on how to proceed.

Commissioner Kadish said that she had been aware of this for some time and was glad it had been brought up. She said that it was her feeling that any arrangements that could be made would be to the advantage of Airport.

Commissioner Goosby said that he thought it unfair to other merchants who weren't aware that meat could be sold at the Airport and said that this might be a good opportunity to assist minority merchants in doing business at the Airport. He said that there should be a formalization of the contract. Mr. Singer said that judging from the representatives of the companies that he had talked with, all four companies were minority companies.

Commissioner Bernstein said that he thinks this is one of the items that should be considered in discussing boutiques. He asked if there weren't certain requirements such as permits, etc., for people to do business at the Airport.

A-2. Parking

Mr. Singer said that regarding parking problems, both Lot D and the regular garage have been full since Memorial Day weekend. He said that the staff has been working closely with United Airlines, the tenant of Plot 19, with the idea of eventually taking over Plot 19, but that in order to do this, United needed to have space to accommodate their people. He said that the staff hoped to have the situation resolved in a short time.

Commissioner Kadish asked if a survey had been done to determine why the garage was filled. She asked if it was filled with long term or short term parkers. She said that reports indicate that Anza, Park 'N Fly and the new service are getting filled up. She said that the number of people coming to the Airport is rapidly increasing because of the increased air traffic. She said that she would like to reconsider a rate increase in the garage as a short term means of making spaces available for the person who comes to the Airport for a few hours.

Commissioner Bernstein asked if there are sufficient policemen on duty today. He said that on the past Saturday he had only found one policeman on duty between the freeway and the Central Terminal.

Mr. Singer said that the situation had been called to Chief Dempsey's attention. He said that it was his understanding that in the morning all available police, including administrative staff, are out on the upper roadway; and that in the evening hours all available staff would be on the lower roadway.

Commissioner Kadish said that this is something that should be dealt with immediately: both the traffic situation and freeing up spaces in the garage. She said that it requires good public information to let people know that they should take public transportation to get to the Airport.

Mr. Singer asked if it was the sense of the Commission that parking should be raised on a short term basis.

Commissioner Bernstein said that the Commission should let the professionals tell the Commission what was best.

Mr. Lee said that the staff was studying various solutions and would have the traffic engineers air their views to the Commission.

Commissioner Bernstein said that this is an immediate problem and the Commission couldn't wait for a study. He said that the present situation was a callous disregard for the rights of the public.

Mr. Ron Wilson, Acting Deputy Director, Operations/Maintenance, assured him that data would be gathered on the problem immediately.

Mr. Singer said that the staff would have the information at the next meeting.

8. Communications

No comment was made on the communications transmitted to the Commission.

9. New Business

A. Air Pollution

Commissioner Kadish said that she had some new business: the last time she was at the Airport the air pollution was immediately noticeable. She said that the Commission should adopt a new rule, providing the experts can fit this into the study, that all cars, cabs and busses at curbside should have their engines turned off, and that there should be a careful perusal of the schedule of officers on duty, not only to monitor this, but to keep traffic moving. She said that the Commission should have a report as to how this can be accomplished. She said that if it is determined that it would be feasible that engines should be turned off, then there will have to be signs notifying drivers that this is the rule. She said that in Miami, this was how the problem was handled and now no car can stop at the terminals and leave its engine running.

B. Map of Underground Utilities

Commissioner Kadish asked if there was a map of all underground utility lines.

Mr. Lee said that there is no such map but that each system had its own map. He said that the staff has a problem getting the current data on the maps because of the volume of construction work.

Commissioner Kadish said that some one should be detailed to take all that information and transfer it to one map in a form that can be utilized so that when we go into the new program, the architects will have information on everything below the surface.

Mr. Lee said that when the staff supplies bidders with contract documents the information is on many maps and we have a problem getting it on one map. He said that such a map was needed.

Mr. Grindheim said that CMC has been documenting everything they uncover on maps. He said that they have utility location information back to 1940.

Mr. Blackford said that Airport Architects receives drawings but they find that utility lines are not now where they are shown to be on the plans. He said that he has found some lines as much as 4 feet lower than shown. He said that the Engineering Division could not be held responsible, but it did seem that they would be derelict in not putting down what information is available. He said that he had found the existing maps to be very unreliable.

Commissioner Kadish asked that Mr. Singer transmit to Mr. Richard Heath, Director of Airports, her feeling that someone should work on the problem until the job is completed.

Mr. Craven read a statement that the July 5th meeting will be a Special Meeting and will be held in the Auditorium of the Health Department, 101 Grove Street at 2:30 p.m.

There being no further business before the Commission, the meeting adjourned at 3:40 p.m.

Eric Craven
Secretary to the
Airports Commission

Statement of the Secretary to the Airports Commission, Eric Craven,
read as Agenda Item 5 at the Airports Commission meeting, June 20,
1978:

IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54957.1 OF THE
BROWN ACT, I AM REPORTING ON THE ACTIONS TAKEN BY THE AIR-
PORTS COMMISSION IN EXECUTIVE SESSION ON JUNE 6, 1978. THE
ACTION AND ROLL CALL OF THE VOTE THEREON ARE AS FOLLOWS:

1. AGENDA ITEM (20) OF THE JUNE 6 CALENDAR, SETTLE-
MENT OF LITIGATED CLAIM OF F.P. LATHROP CONSTRUCTION
COMPANY, CONTRACT 569, AIRPORT MAINTENANCE FACILITY,
\$60,000.00, WAS APPROVED BY A UNANIMOUS VOTE OF COM-
MISSIONERS BERNSTEIN, KADISH, MC DONNELL AND GOOSBY.
2. AGENDA ITEM (3) OF THE JUNE 6 CALENDAR, REJECTION
OF BIDS, AIRPORT CONTRACT 1126R, INDUSTRIAL WASTE-
WATER COLLECTION SYSTEM, PHASE III, WAS ADOPTED BY
A UNANIMOUS VOTE OF COMMISSIONERS BERNSTEIN, KADISH,
MC DONNELL AND GOOSBY.

